DRAFT
MONTEREY COUNTY
HOUSING ELEMENT

A DRAFT AMENDMENT TO THE 1985 HOUSING ELEMENT OF THE MONTEREY COUNTY GENERAL PLAN
REVISED SEPTEMBER 18, 1992

MONTEREY COUNTY
PLANNING AND BUILDING INSPECTION DEPARTMENT

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EXECUTIVE SUMMARY

The purpose of the Housing Element of the County General Plan is to set the County's commitment to providing housing opportunities for all income levels through the Element's policies, programs and objectives. This Element analyzes the County's housing needs and proposes specific programs to address those needs. The Element builds on those housing programs which were adopted in the previous (1985) Housing Element.

REVIEW OF PAST ACCOMPLISHMENTS

Past efforts of the County and other public and private interest groups have made it possible to make substantial progress in meeting the housing needs which were presented in 1985. In the past decade the County has participated in many efforts to improve the housing situation. For example, Monterey County has been in the forefront in providing services to the homeless. The County has applied for and received Federal Emergency Shelter Grants to renovate shelters in Salinas and Seaside and to create homeless prevention services. Many homeless programs which were at first experimental, like the inclement weather shelters and shelter in the state's migrant labor camp, are now permanent programs on which many of the homeless rely.

In 1988 the Board of Supervisors commissioned a study on the homeless in Monterey County and then convened a Homeless Task Force to prepare a Comprehensive Homeless Services Plan. The Board approved the funding for a Homeless Coordinator position within the Department of Social Services, the lead Agency carrying out the Plan. The Homeless Coordinator has expanded and improved services to existing emergency shelters, developed transitional housing, and established homeless outreach programs. The County's continuing commitment to the homeless is ensured by staff's increasing ability and success in securing federal and State grants and the creation of permanent local funding sources such as the Homeless Trust Fund and the Inclusionary Housing Fund. The County looks ahead to marshaling additional efforts and funds on behalf of the homeless to provide transitional housing and low cost permanently affordable housing.

The County has also taken many steps to increase the livability and economic viability of its lower income communities. In 1983, the Board of Supervisors created the County's Redevelopment Agency for the communities of Pajaro, Castroville and Boronda. The Agency, through its Redevelopment Plans, has been highly successful in obtaining Community Development Block Grants and other funding sources to stimulate commercial revitalization, provide housing rehabilitation for 137 units, improve and increase water and sewer capacity, build community facilities, improve streets and remove visual blight in lower income communities.

Over the 25 year life of the Plans, the Agency proposes to improve the existing infrastructure such as streets, curbs, gutters, sidewalks and handicapped access; expand sewage treatment capacity; upgrade sewer, water, storm drainage and transportation systems; undergrounding aerial utilities; provide additional open space, parks and recreational facilities; revitalize commercial and neighborhood areas; develop a community center in Pajaro and Boronda; and to rehabilitate and construct affordable housing.

Since 1985, the Monterey County Board of Supervisors has secured approximately $9,798,150 in state and federal funds for housing rehabilitation and planning; economic development planning; senior/child care facility; and storm drainage, sewer and water improvements; in the redevelopment project areas of Boronda, Castroville, and Pajaro; Chualar, Las Lomas, and San Lucas.

In addition, the Agency estimates the tax increment housing set-aside within Redevelopment Areas will generate 8.1 million dollars or $324,000 per year in funds for housing rehabilitation during the next twenty five years, in Boronda, Castroville and Pajaro.

After the October 1989 earthquake, the Board of Supervisors responded quickly to the desperate needs of those left homeless by the earthquake. The County housed 19 families in FEMA trailers on Southern Pacific Land and the Monterey County Housing Authority has since established 9 permanent housing units in Las Lomas for earthquake victims through money raised by the Earthquake Relief Fund and private fund-raising efforts.

In approving the 1985 Housing Element, the Board of Supervisors approved increased densities in "Development Incentive Zones." Increased densities and infrastructure capacity increases led to the construction of 160 multi- family units for lower income families since 1985. In addition, there are current proposals to build 160 units in Chualar and 120 units in Las Lomas for lower income households.

The Board of Supervisors has shown a commitment to assist developers. For example, the Planning and Building Inspection Department has streamlined and coordinated the development review process. The streamlining effort has reduced the developer's holding costs by about six months thereby reducing housing development costs. Upon Board direction, the Department waives fees, recommends density bonuses and exempts from sewer and water constraints, those projects which provide affordable housing.

In 1985, the Board of Supervisors revised the Inclusionary Housing Ordinance to require on-site affordable housing and in-lieu fees. Since 1985 the County's Inclusionary Housing Ordinance on-site component has resulted in 72 for-sale units and 48 rental units which were built as part of a development project and are now permanently affordable to low and moderate income households. The Ordinance's in-lieu fee component capitalizes the Inclusionary Housing Fund which has collected 1.5 million dollars since 1985. The Fund provided financing assistance to private and non-profit developers and resulted in the construction of 422 units for low and very low income households. In addition, the Fund helped finance the homeless study, housing for the mentally disabled, the security deposit guarantee program, and housing for lower income elderly such as the 200 unit Pacific Meadows project. The Fund also financed start-up costs for new non-profit housing developers and support groups such as the Affordable Housing Corporation (which is rehabilitating 12 lower income units in Castroville) and the Center for Community Advocacy (which is providing landlord-tenant mediating services in the County's labor camps).

As described above, the County has taken significant steps toward meeting the goals listed in the 1985 Housing Element and has set the foundation for future housing accomplishments. Remarkably, these accomplishments were made in the face of severe environmental and resource constraints and during a prevailing deficiency in federal and State funding.

OVERVIEW OF THIS DOCUMENT

This Element addresses both the on-going and new challenges ahead for affordable housing development. The unincorporated area contains about one third of the County's population, and so is expected to produce one third of the regional demand for new housing units. Specifically, the County's new construction goal is 5,692 new units, of which 1,587 units are for very low income, 1,315 units are for low income households and 1,414 units are for moderate income households. The County has to provide "suitable sites" which will allow these units to be built by July 1, 1996. In addition, the needs analysis of this Housing Element indicates that there continues to be a need for housing for migrant farm workers, very low income households and large families who are low income. Also, there is a need to improve existing dilapidated units.

This Housing Element continues to stress Development Incentive Zones by maintaining higher densities. It also proposes to couple economic development with housing development to foster a jobs/housing balance. This Element also seeks to establish new

permanently, affordable housing opportunities in Fort Ord with the existing 1,253 units in County jurisdiction. This Element coupled with the County's Comprehensive Homeless Services Plan seeks to prepare sites for emergency shelters, transitional housing and housing for migrant farmworkers in the East Garrison Area in Fort Ord.

The Housing Element also continues to stress the use of the Inclusionary Housing Ordinance to provide on-site housing opportunities. The Inclusionary Housing Ordinance requires 15% on-site for low and/or moderate income households. However the Element proposes to revise the Ordinance to require developers of 20 or more units to set-aside 5% of the 15% on-site requirement, for lower income, rather than moderate income, households.

The Element continues to emphasize the need to work with the County's cities to provide the needed housing in "Joint Ventures" in annexed and redevelopment areas. The County of Monterey has successfully negotiated agreements to meet the County's Fair Share Housing needs with the Redevelopment Agencies for the Cities of Salinas, Gonzales, Greenfield, Soledad, Seaside, Monterey, Marina and King City. This Element emphasizes the need to formulate more comprehensive "Reallocation of Construction Goals Agreements" with the cities which take into consideration the economic needs of each jurisdiction. A more up-to-date fiscal impact analysis is a necessary key to formulating those Agreements.

In the past decade, the County has developed a proven capacity to prepare sites and institute programs which facilitate the development of affordable housing. This capacity coupled with current opportunities will enable decision makers to meet future needs. For example, Rancho San Juan can accommodate 2,380 housing units of which 476 units will be for low and moderate income households. Fort Ord offers 1,253 units of which 464 units could be reserved for very low, 376 units for lower income, and 413 for moderate income households. New sites on Fort Ord should also be prepared to meet future housing needs. The East Garrison Area can provide housing for the homeless, transitional housing and housing for migrant farmworkers. Housing construction in areas annexed by cities for which the County has negotiated "fair share" agreements will yield to the County credit for 455 lower income units. Inclusionary Housing requirements on proposed projects will provide 116 lower income and 302 moderate income housing units. Housing to be built by non-profits will create about 249 units for lower income households and 80 units for moderate income households. In all these areas, a large majority of the need can be met by producing enough for-sale opportunities which are priced between $90,000 and $137,000 and enough rental opportunities which are priced at about $475 per month.

ACTIONS TAKEN BY THE BOARD OF SUPERVISORS IN SUPPORT OF HOUSING ELEMENT PROGRAMS

On April 28, 1992 the Monterey County Board of Supervisors passed a Resolution of Intent to adopt this Housing Element (pending review by the State), declaring that "the creation of housing is a priority in Monterey County with a specific emphasis on low cost housing." Along with the resolution's passage, the Board directed the Planning and Building Inspection Department to return to the Board with: 1) "a recommendation on the composition of a committee to work with staff in the development of policy on marginal farmlands"; 2) "a staffing plan to implement the Board's priority of housing issues"; and, 3) "a process that allows projects focusing on a higher requirement than the Inclusionary Housing Ordinance to have priority."

As directed, the Planning and Building Inspection Department has formed an Agricultural Lands Viability/Affordable Housing Study Committee which will study the feasibility of developing new housing on less-than-viable agricultural lands or through expanding existing communities. The Board also directed the formation of another committee to "review development regulations and procedures with an aim toward development of affordable housing." The Planning and Building Inspection Department has initiated a "special handling" procedure for projects which include 25% or more affordable units. In addition, the Department is preparing a "comprehensive development incentive" Plan which will outline a sliding scale of applicable fee waivers and other development incentives. As a project increases in percentage of affordable housing units, so will the number of incentives increase. Finally, the staff of the Planning and Building Inspection Department has been reorganized so that more resources are devoted to affordable housing development.

In sum, the Board of Supervisors has established a tradition of being "pro-active" in implementing housing programs. Therefore, the County can look forward to continued success in meeting the housing needs presented in this Element.

MONTEREY COUNTY DRAFT HOUSING ELEMENT

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INTRODUCTION

PURPOSE

The purpose of the Monterey County Housing Element is to identify and document the level and scope of housing problems and needs within the unincorporated County and to establish goals, objectives, policies, housing strategies, and programs to address these needs. The Element is designed to fulfill federal requirements and State law mandating preparation of a "housing element" for each local jurisdiction. However, beyond meeting federal and State obligations, the most significant intent of this Element is to address a local issue--the urgent need for housing in the unincorporated portion of Monterey County.

ENABLING LEGISLATION BACKGROUND

The Housing Act of 1949 established a national housing goal of a "decent home and a suitable environment for every American family." However, the federal government did not develop either legislative programs or financial commitments by which the nation's housing needs would be met. Consequently, for many low and moderate income families, that goal was not fulfilled. Nineteen years later, Congress adopted the Housing and Urban Development Act of 1968 to speed up the building and rehabilitation of housing through the incentive of federal assistance.

At the State level, housing elements were first required in 1967 when the California legislature amended Section 65302(c) of the Government Code, which specifies the mandatory content of the general plan. A housing element must consist of standards and plans for the improvement of housing and for provision of adequate sites for housing. The element must address the housing needs of all economic segments of the community.

On November 17, 1977, the State Department of Housing and Community Development issued revised Housing Element Guidelines. In support of the State and federal goal of "a decent home and a suitable living environment" for all, the Housing Element Guidelines establish three objectives for the housing element:

(1) The provision of decent housing in a satisfying environment for all persons regardless of age, race, sex, marital status, ethnic background, sources of income, or other arbitrary factors;

(2) The provision of adequate housing selection by location, type, price, and tenure;

(3) The development of a balanced residential environment with access to employment opportunities, community facilities, and adequate services.

More specifically, State law (Government Code Section 65583) requires that a Housing Element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, and scheduled programs for the preservation, improvement, and development of housing. In addition, each local jurisdiction must set forth the manner in which it will provide for its appropriate share of regional housing needs.

In 1985, the Planning and Building Inspection Department prepared a Housing Element based on the 1977 guidelines. In July 1985,the Board of Supervisors after numerous public hearings before the Planning Commission and the Board, adopted the Housing Element.

Legislation since 1977 has set forth new requirements which are reflected in this Housing Element. In 1985, State law required local governments to identify zones for emergency shelters and transitional housing. In 1987, the State Attorney General's Office required that the adoption of alternative zoning ordinances and land use restrictions be considered when a local government determines that its current land use capacity is insufficient to meet its fair share of regional housing needs.

PUBLIC PARTICIPATION

In developing this Housing Element, the Planning and Building Inspection Department sought out a wide range of public comment to assure that housing needs would be addressed. The Department held four "Housing Element Workshops" in Salinas, on the Monterey Peninsula and in South County. The Department specifically sought out advocates for low income people such as California Rural Legal Assitance, Center for Community Advocacy, and social services agencies and invited their comments. The Department also incorporated the comments of builders, developers and Realtors. Often comments would be requested during individual surveys on development costs and constraints. Representatives of agencies which built low cost housing were also invited to participate in determining the contents of this Element including the Monterey County Housing Authority and Community Housing Improvement Systems and Planning Association (CHISPA). In addition, comments made on the previous housing element during the public hearings were incorporated as new program suggestions.

Finally, the County coordinated with the planning and community development departments of other cities, counties and the State in order to evaluate workable housing programs.

DATA SUMMARY

POPULATION

- The post-war "baby boom" children are now in an age category (25-34) in life to buy their first home. This is the largest number of "first-time" home buyers in this century.

- Most of the growth in Monterey County is due to "natural increase" rather than in-migration. Unlike the State where 40% of the growth can be attributed to inmigration, the County can attribute only 8% of its growth to inmigration. Thus, 92% of the County's growth is generated internally.

- According to the 1990 U.S. Census, Monterey County grew from 290,444 people in 1980 to 355,660 people in 1990 - a 22.5% increase. This figure reflects an increase of 65,216 people, or an annual average increase of 6,521 persons since 1980. In contrast, the population in state grew 25.7% during this time period. Population projections indicate that the County will continue to grow at a lower rate than the State between 1990 and the year 2005. During this period, the County will average a population increase of about 2.4% or 5,761 persons per year while the State's is expected to increase at about 3% per year.

- The elderly population is increasing in Monterey County and has grown from 9.2% of the population in 1980 to 9.8% of the population in 1990.

HOUSING STOCK

- Between 1980 and 1990, shifts in housing stock categories in the County showed a trend toward single-family units (particularly in the form of mobilehomes which have shown a 27% increase in the County) and away from higher density multi-family units.

- Effective rental vacancy rates in the County are far below standards of what is considered a "balanced" housing market where supply equals demand. As a result, the demand for available rental units has driven up the cost of renting a home.

HOUSEHOLDS

- In comparison with the State, the County has a higher percentage of large households, indicating the need for continued production of large affordable homes.

- The number of housing units available to farmworkers has sharply declined in the unincorporated area. The "loss" of almost 1,700 multi-family units will place greater pressures on rental housing in the Valley cities.

HOUSING AFFORDABILITY

- According to income tax return data provided by the State Franchise Tax Board, the County's 1990 median household income ($32,880) was much lower than the State's ($39,890). Yet, according the the California Association of Realtors data, the median home sales price ($237,732) was much higher than the State's ($194,010). These conditions place a higher financial burden on "first-time" home buyers in Monterey County.

- Statistics on households overpaying for housing show that 85% of lower income renter households often devote more than 30% of their income to housing costs, and that more than half devote more than 50% of their income to housing. For a family earning $19,000 per year it means paying about $800 a month for rent.

PRESENT AND PROJECTED POPULATION

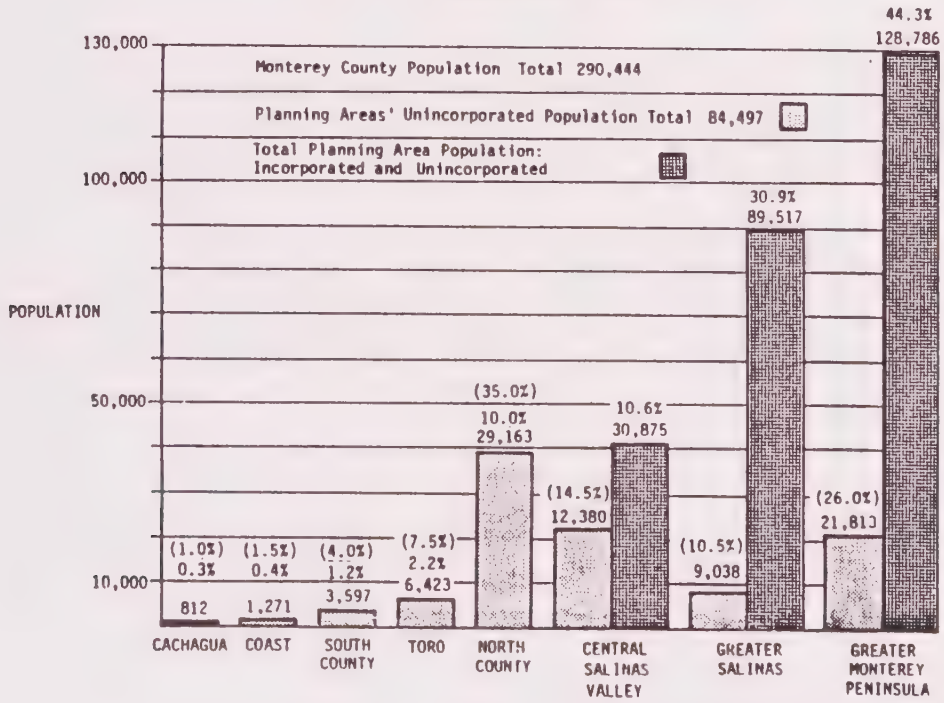
Distribution of Monterey County Population

According to the 1990 U.S. Census, Monterey County grew from 290,444 people in 1980 to 355,660 people in 1990 - a 22.5% increase. This figure reflects an increase of 65,216 people, or an annual average increase of 6,521 persons since 1980. In contrast, the State's population grew 25.7% during this time period.

Figure 1 shows how the County's 1980 population was distributed among Planning Areas for the County as a whole and for the unincorporated area only. As shown, the largest percentage, about 44%, of the County's population is within the Greater Monterey Peninsula Planning Area. The next largest percentage, 31%, is in Greater Salinas. The Central Salinas Valley and North County Planning Areas have about 11% and 10% of the County's total population, respectively. The smallest population percentages are found in Toro (2.1%), South County (1.2%), the Coast (0.4%) and Cachagua, which contains 0.3% of the County's population. Although 1990 Census figures are not available by Planning Area, more than half of the population growth occurred in the Salinas Valley. The cities of Salinas, Greenfield, Gonzales, and King City gained a combined total of 35,489 people or 54% of the total County population growth between 1980 and 1990.

FIGURE 1

MONTEREY COUNTY PERCENTAGE SHARE OF POPULATION
BY PLANNING AREAS - 1980



Note: (%) Shows Area Plan Percentage of Total Unincorporated Population 84,497

SOURCE: 1980 U.S. Census

According to the 1990 Census, the number of people in the unincorporated area grew from 84,947 in 1980 to 100,479 in 1990 - an 18.3% increase, 4.2% less than the population growth rate in the County and 7.4% less than the State as a whole.

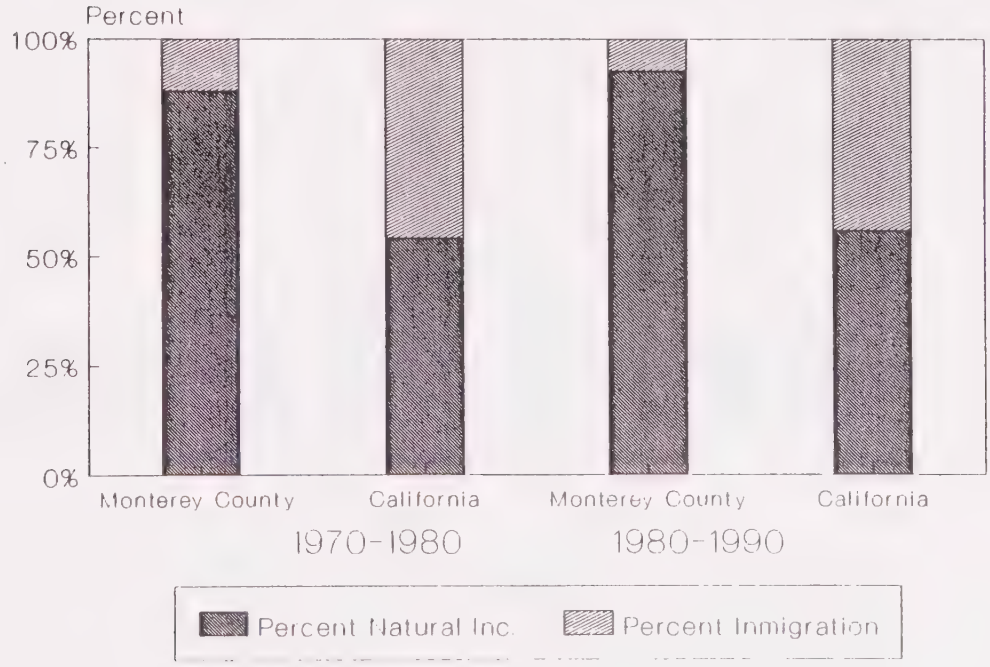
Components of Population Growth Immigration and Births/Deaths

It is important to understand the components which influence population change to accurately provide enough housing for current and future County residents. Figure 2 identifies the source of population change for Monterey County and the State between 1980 and 1990. The two sources of population growth are shown as natural increase (total births minus total deaths) and in migration into the County and State.

Figure 2 reveals that 92% of the County's growth during the period between 1980 and 1990 could be attributed to a natural population increase while only 8% of the County's population growth was caused by inmigration. By comparison, the State's growth during this period was largely due to inmigration. In fact, almost half (44%) of the State's population growth during this time period resulted from people who moved into California.

FIGURE 2

Components of Population Growth
Percent Natural Increase/Inmigration



Source: State Department of Finance

Countywide Population Projections

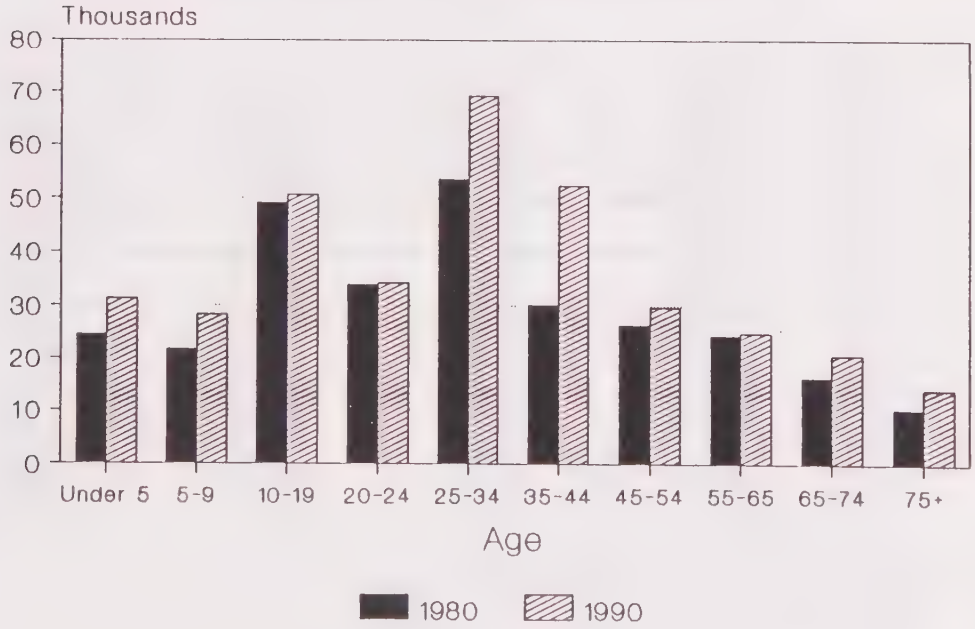
Generally speaking, the County's average annual percentage growth rate between 1970 and 1980 was 1.74%, slightly less than the State's average annual growth rate of 1.85%. Monterey County's population grew at a rate of about 4,300 people per year since 1970.

During the previous decade, the County experienced a slightly slower rate of population growth than did the State. For example, 1990 Census figures show that the increase in County population was 22.5% since 1980 population while the State experienced a 25.7% increase in its population during the same period.

In the period spanning 1990-2005, Monterey County's population is projected to continue to grow at a slightly lower rate than the State's (according to the State Department of Finance Report 91 P-1). During this fifteen year period, the County's population will increase at an average annual rate of 2.4% or about 5,761 persons per year. During the same period, the State will experience an average annual increase of about 3%.

FIGURE 3

Age Categories



Source: 1980, 1990 U.S. Census

AGE CHARACTERISTICS

The type of housing programs required for specific age groups and for stages in the life cycle depends on the age characteristics of the County's population . For example, first-time home buyers (age 25-34) need an adequate number of modest affordable starter homes. Then as the family grows, homes with more bedrooms are needed. The elderly, with their children now on their own, tend to prefer smaller, low maintenance homes.

General Trends

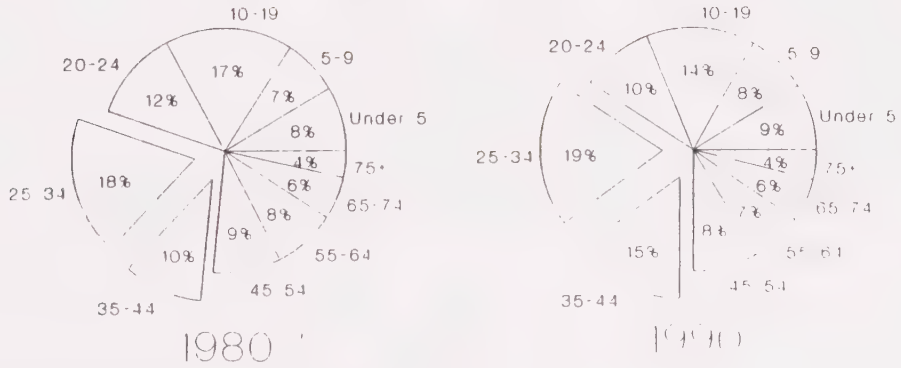
The changes in age characteristics between 1980 and 1990 are shown in Figures 3 and 4. The pie charts compare the percentages of each age category between 1980 and 1990. The Figure emphasizes the "25-34" and the "35-44" age categories because these are the prime household formation and homebuying years. In general, Figure 3 indicates a slight increase in the percentage of persons under 5 and a large increase in persons between 25 and 44 years of age. The age category reflecting largest percentage decrease is the "10-19" year old age category. As a result, the median age in the County increased slightly from 29 years in 1980 to 29.6 years in 1990.

First Time Home Buyers

The postwar "baby boom" children are now at the home purchase stage of the life cycle. Figure 4 shows that between 1970 and 1980, the 25-34 age category experienced a substantial increase in size. In 1970 this age category comprised 14.5% of the County's population; by 1980 this age group grew to 18.2% of the County's population and in 1990 it grew to comprise 19% of the total population. This age category is expected to experience a slight decline (from 19% to 17.1%) within the time frame of this Housing Element. Even so, housing affordability is a critical factor for this large group of entry-level households.

FIGURE 4

Age Categories by Percent



1980,1990 U.S. Census

Growth in Elderly Population

Trends in population growth within age categories indicate a need to maintain housing opportunities for the elderly. The elderly population (65 and older) is expected to increase as an age group. In 1970 the elderly constituted about 8.6% of the total population. In 1980 this age group comprised 9.2% of the population and by the year 2000 they will comprise about 12% of the total population. Statewide, the number of persons aged 65 or over constituted 10.2% of the 1980 population.

Ethnic Populations

In 1980 almost 70% of the County's population was White, a slightly lower percentage when compared with 76% for the State. The County's population percentage share of Black and Indian people about equals the State's while the percentage of Asian people is slightly higher than the State's. The County also has a much higher percentage of people in the "other" category than does the State.

In 1980 and 1990 the largest minority population in the County consist of persons of Spanish origin. Persons of Spanish origin comprised about 26% of the County's population in 1980. By comparison, in 1980 persons of Spanish origin comprised about 19% of the State's population.

The 1990 Census shows that, since 1980, the County's percentage of Hispanics has increased to 33.6 percent while the State's percentage of Hispanics has increased to 25.6 percent. In 1980, the percentage of Hispanics in the unincorporated area was 28% and grew to about 30% in 1990. The majority of persons of Spanish origin come from Mexico.

EMPLOYMENT AND LABOR FORCE CHARACTERISTICS

MONTEREY COUNTY ECONOMY

Labor Force Participation

Labor force participation has increased steadily over the past three years from 142,000 people in 1988 to 162,800 people in 1990. The Association of Monterey Bay Area Governments (AMBAG) estimates that the labor force will grow to 199,600 by 1995 with the largest growth experience in the retail and services sectors.

Of the 1990 labor force figure cited above, 20,200 people or 12.4% were unemployed. On average the County's unemployment rate was twice as high as that of the State (6.6%) and that of the nation (5.9%). This high unemployment in Monterey County is due primarily to the seasonality of agriculture and tourism - two of its major economic sectors. Additional causes include the lack of skills and training on the part of job seekers for fast growing occupations such as electrical engineers, computer programmers, security guards, dental assistants, and registered nurses - all which require advanced training.

Government

Government is a major employer in Monterey County, principally because of Fort Ord and the Social Security Administration data center in Salinas. Expectations for increases in the government sector have been severely dampened due to the closure of Fort Ord. Closure would result in a regionwide loss of 25,000 private sector jobs and a withdrawal of one billion dollars in regional economic activity. Closure would also result in an immediate housing surplus of 5,189 units occupied by off-base armed forced personnel. The Base closure, coupled with the continuing decline in federal, state and local funding sources, will likely mean a drastic short-term decline in federal, county and city government employment levels.

Agriculture

Agriculture is the second largest industry in the County. Monterey County, with farm revenues totaling over 1.3 billion dollars in 1990, has consistently ranked in the top ten California counties in gross receipts. This fact remains even though Monterey County experienced a freeze in 1990 and is in its fifth year of drought. Lettuce is by far the County's leading crop accounting for 23 percent of total gross farm income, almost twice as large as the County's second largest crop - strawberries. Close behind in ranking are broccoli and nursery crops such as cut flowers,

bulbs, potted plants and Christmas trees. Acreage in viticulture and seed crops have experienced large increases in the past decade. Efforts to market the County's crops to Pacific basin nations will boost farm employment.

Tourism

Expenditures in Monterey County by tourists and visitors to Monterey County totaled about $1.2 billion during 1989 which ranked Monterey among the top ten California counties in tourist revenues. The County is also a popular site for meetings and conventions because of the attractive surroundings and comparatively low hotel rates. Visitor-related entertainment and recreation services now employ about 20,000 persons in the County. The single biggest attraction is the Monterey Bay Aquarium which experienced an attendance of 1.7 million people in 1990. Tourism will grow as the tourist season is extended throughout the year and as year round events are marketed more aggressively.

Manufacturing

Manufacturing accounts for about 7.7% of the County's workforce. The most important manufacturing activity in the County is food processing which accounts for about two-thirds of all manufacturing jobs. The seasonal characteristics of the food processing causes layoffs during the off season resulting in high seasonal unemployment. In addition, some major plants have recently closed down in the Salinas Valley. On the other hand, new wineries have opened up in the southern part of the County. Manufacturing is a relatively small employer in the County employing about 7.7% of the workforce. However, Salinas' ability to attract electronics manufacturing may enlarge employment within that economic sector.

GROWTH IN MONTEREY COUNTY EMPLOYMENT BY ECONOMIC SECTORS

Size of Labor Force

According to the State's Economic Development Department, the County's employment will grow from about 158,500 people in 1985 to about 256,300 people in 2015. This change represents a 61.7% increase or an average percentage increase of 2% per year.

Overall the County's economic sectors will undergo a cyclical pattern both expanding and shrinking during this period. The Government sector will undergo a sharp drop in employment in 1995 due to the closure of Fort Ord but is expected to bounce back to current levels by the year 2005. Additionally, increased employment spurred by the re-use of the base facility is expected to

bring employment levels to current capacity by the year 2000.

The County's present share of employees in both government and agriculture is about four times that of the state's for those categories. Conversely, the state's percentage employee share in services and manufacturing is almost twice that of the County's. It may be that, because of the relatively low percentages of County employees working in services and manufacturing, there now exists room for expansion in these industries within the County.

HOUSING CHARACTERISTICS

CHANGES IN HOUSING UNIT TYPES

Table 1 illustrates both the percentage share of housing units by type and the changes in housing unit types between 1980 and 1990 as a percentage of total housing units. The Table compares the share of single-family, multiple-family dwelling units (duplexes, triplexes, fourplexes), multi-family units (five units or more) and mobile home units between the State, the County and the unincorporated area. In addition, the changes in housing types between 1980 and 1990 in the State, the County and the unincorporated area are compared and discussed below.

Comparison of Changes in Housing Types

In general, during the last decade, both the State and the County have experienced a strong resurgence in single-family home development and a dampening in the increase of multi-family units which, during the decade spanning 1970 and 1980, experienced a sharp increase. Between 1980 and 1990, the State experienced slight increases in the percentage of single-family and mobile homes (+.25% and +.84%, respectively) while experiencing decreases in the share of "2-4" unit and multi-family categories (-.62% and -.47%, respectively). Similarly, the County experienced fairly larger increases in the percentage of single-family and mobile homes (+1.58% and +.78%, respectively) while experiencing a slight increase in the share of "2-4" unit category (+.13%) and a large decrease in the share of multi-family category (-.78%).

According to Table 1, between 1980 and 1990 the unincorporated area has had a much larger increase (+5.97%) in the percentage share of its housing stock comprised of single-family homes. Single-family homes now comprise about 82% of the total housing stock in the unincorporated area. Table 1 shows that the unincorporated area's percentage share of mobile homes experienced only a slight increase (+1.31%). However, mobile homes constitute about 10% of the housing stock which is about twice the percentage of mobile homes found in the County or the state. Unlike the State and the County as a whole, the unincorporated area experienced a very sharp decline (-2.49%, and -5.83% respectively) in the percentage share of multi-family housing units. In the unincorporated area, multi-family units now comprise less than 4% of the housing stock - down from 9.5% in 1980.

TABLE 1

CHANGE IN PERCENTAGE SHARE OF HOUSING UNITS BY TYPE (1980-1990)

	Percent of Total Units		Change in Percentage Points
State	1980	1990	
Type			
Sing. Fam.	62.43	62.68	0.25
2-4 Units	9.36	8.74	-0.62
5+	24.03	23.56	-0.47
Mobile Homes	4.18	5.02	0.84
Total Percent:	100	100	
Monterey County	1980	1990	
Type			
Sing. Fam.	65.89	67.47	1.58
2-4 Units	8.96	9.09	0.13
5+	20.65	18.16	-2.49
Mobile Homes	4.50	5.28	0.78
Total Percent:	100	100	
Unincorporated Area	1980	1990	
Type			
Sing. Fam.	76.00	81.97	5.97
2-4 Units	5.40	3.96	-1.44
5+	9.60	3.77	-5.83
Mobile Homes	9.00	10.31	1.31
Total Percent:	100	100	

SOURCE: 1980, 1990 U.S. CENSUS

Increase in Number of Housing Units by Type

Table 2 compares the increase in the number of housing units by type during 1980 and 1990 between the County as a whole and the unincorporated area. Overall, the percentage increase in total housing units in the two areas was about the same - 15% and 13%, respectively. The largest percentage increase in housing type for both areas was in mobile homes with the County sustaining a 27% increase and the unincorporated area sustaining a 23% increase in the number of mobile homes. The County experienced a 17% increase in single-family homes while the unincorporated area had a larger (21%) increase.

TABLE 2

INCREASE IN HOUSING UNITS BY TYPE 1980-1990

UNINCORPORATED AREA

TYPE	1980	1990	Increase	Percent Inc.
1	22,333	28,156	5,823	20.68%
2-4	1,703	1,359	(344)	-25.34%
5+	2,988	1,293	(1,695)	-131.02%
Mobile Hmes	2,715	3,541	826	23.33%
Total H.U.:	29,739	34,350	4,611	13.42%

COUNTY

TYPE				
1	68110	81,792	13,682	16.73%
2-4	9261	11,021	1,760	15.97%
5+	21349	22,015	666	3.02%
Mobile Hmes	4649	6,396	1,747	27.31%
Total H.U.:	103,369	121,224	17,855	14.73%

SOURCE: 1980, 1990 U.S. CENSUS

Loss of Multi-family Units in the Unincorporated Area

The most important finding in Table 2 is the loss of 1,695 multi-family units in the unincorporated area between 1980 and 1990. Perhaps part of the loss can be explained by the closure of the County's many labor camps. However, it is hard to believe that almost 1,700 units of the housing stock was in labor camps and that the total units lost can be attributed to labor camp closures. Annexation of units to the cities may also account for the loss. The reason for the loss over the past decade, and the past location of 1,700 multi-family units, will require a closer examination of the housing unit data by Census tracts.

HOUSING TENURE

Tenure refers to the manner of holding property. Evaluating tenure is important for assessing the balance between owner occupied and renter occupied units because the County needs an adequate supply of both types of units. For example, homeownership gives an individual financial security and is a benchmark of success. Additionally, homeowners create more stable neighborhoods and tend to maintain their homes better than renters do. On the other hand, rental units are needed for those whose lives

are highly mobile, for those who cannot afford the large initial capital investment that home ownership requires and for those who choose to rent for various other reasons. When mortgage interest rates increase, fewer people are in a position to buy a home; rental units will be needed to accommodate these individuals and families.

Tenure and Housing Type

Table 3 shows the percentage distribution of households by tenure (renters and homeowners) by housing units type within the State, the County and the unincorporated area. As would be expected, a large portion (83%) of homeowners occupied single-family homes while the largest portion of renters were found in multi-family (buildings with five or more units) units. However, in the unincorporated area, about one half of renters lived in single family residences.

Tenure Comparisons Between County and State

When the County as a whole is compared to the State, one can see that the homeowner/renter ratio of 50% and 50%, respectively, was more balanced than the State's homeowner/renter ratio of 56% and 44%, respectively.

TABLE 3

TENURE BY HOUSING UNITS IN STRUCTURE
STATE/COUNTY/UNINC. AREA

State

Owner			Renter		
Type	Hsholds	Percent	Type	Hsholds	Percent
1d	4600917	79.68%	1d	1160817	25.20%
1a	421677	7.30%	1a	327423	7.11%
2	49169	0.85%	2	250867	5.45%
3-4	63036	1.09%	3-4	534873	11.61%
5-9	58107	1.01%	5-9	589398	12.79%
10-19	47139	0.82%	10-19	589202	12.79%
20-49	43058	0.75%	20-49	544081	11.81%
50+	34472	0.60%	50+	463163	10.05%
M.H.	409066	7.08%	M.H.	84838	1.84%
Other	47302	0.82%	Other	62601	1.36%
Total:	5773943		Total:	4607263	
% Own	55.62		%Rent	44.38	

County

Owner			Renter		
Type	Hsholds	Percent	Type	Hsholds	Percent
1d	47605	83.22%	1d	17255	30.94%
1a	3325	5.81%	1a	6896	12.37%
2	351	0.61%	2	3179	5.70%
3-4	552	0.97%	3-4	6174	11.07%
5-9	352	0.62%	5-9	6731	12.07%
10-19	330	0.58%	10-19	5904	10.59%
20-49	90	0.16%	20-49	3718	6.67%
50+	81	0.14%	50+	3201	5.74%
M.H.	4021	7.03%	M.H.	1845	3.31%
Other	495	0.87%	Other	860	1.54%
Total:	57202		Total:	55763	
% Own	50.64		%Rent	49.36	

Unincorporated Area

Owner			Renter		
Type	Hsholds	Percent	Type	Hsholds	Percent
1d	18056	83.64%	1d	4983	51.53%
1a	1042	4.83%	1a	1148	11.87%
2	87	0.40%	2	368	3.81%
3-4	121	0.56%	3-4	678	7.01%
5-9	45	0.21%	5-9	523	5.41%
10-19	65	0.30%	10-19	403	4.17%
20-49	0	0.00%	20-49	124	1.28%
50+	0	0.00%	50+	0	0.00%
M.H.	1993	9.23%	M.H.	1195	12.36%
Other	180	0.83%	Other	248	2.56%
Total:	21589		Total:	9670	
% Own	69.06		%Rent	30.94	

SOURCE: 1990 U.S. CENSUS

Changes In Housing Tenure

During the previous decade (1980-1990), the 1990 U.S. Census data show that the percentage of renters in the County increased from 47% in 1980 to 49% in 1990. Conversely, the percentage of homeowners decreased from 53% in 1980 to 51% in 1990. Surprisingly, even with the drastic loss of rental units in the unincorporated area in the previous decade, the unincorporated area's percentage ratio of homeowners to renters has remained about the same as that found in 1980 with 69% homeowners and 31% renters. Similarly, for the State as a whole, the percentages of renters (56%) and homeowners (44%) has remained the same since 1980.

VACANCY RATE

The vacancy rate is the number of vacant units for sale or rent expressed as a percentage of all units and is a key measure in determining how well housing supply has kept up with demand. If the rate is too low, it indicates that construction has not met demand. A high vacancy rate, on the other hand, indicates an overbuilt housing stock and that continued housing production is probably unwarranted.

The number of available units as indicated by vacancy rates also has an underlying influence on housing prices. A low vacancy rate means that Monterey County residents may be experiencing artificially inflated housing costs because of increased competition for available units. Lower income households often lose out in the bidding process to households with more economic power. On the other hand, a high vacancy rate will artificially deflate housing costs and might reduce the economic incentive for landlords to maintain property. Thus, what is needed is a vacancy rate which reflects the appropriate balance between these two extremes.

There are "rules of thumb" which set forth the optimum vacancy level. According to the State Department of Housing and Community Development, the overall effective vacancy rate (vacant for sale or rent) should be at approximately 4% for the market to operative effectively and that rate is should be generally uniform for all price levels. A 2% effective vacancy rate for sale units is considered to be an adequate level; for rental units, an adequate level exists when the vacancy rate is about 6% (assuming a 50/50 ratio of percent renter and owner occupied). 1/

1/ Department of Housing and Community Development, California Housing Plan, 1982, pg. C-76.

Trends In Vacancy Rates

Table 4 shows the change in the vacancy rate for the State, the County and the unincorporated area between 1980 and 1990 for rental and for sale units. As Table 4 shows, the overall effective vacancy rate declined from 3.34% to 3.01% in the County while it increased from 3.46% to 3.53% in the State. The decrease in the County was largely effected by the County's rental vacancy rate which declined from 2.29% in 1980 to 1.91% in 1990. The State experienced a slight decrease in the for-sale vacancy rate from 1.25% in 1980 to 0.85% in 1990. However, that decline was offset by the increase in the rental vacancy rate which went from 2.21% in 1980 to 2.68% in 1990.

The unincorporated area, on the other hand, experienced a sharp decline in rental vacancies in the past decade - from 1.92% to 1.27% . This decline had a pronounced effect on the overall vacancy rate because the vacancy rate for for-sale units stayed about the same (1.6%) during the past decade. Of all three jurisdictions, the unincorporated area had the lowest overall vacancy rate.

TABLE 4

CHANGE IN PERCENT VACANT FOR-SALE/RENT 1980-1990

	Total Units Year'round	No. Units For Rent	Percent For Rent	No. Units For Sale	Percent For Sale	Effective Vacancy In Percent
State						
1980	9,220,718	203,619	2.21%	115,650	1.25%	3.46%
1990	10,791,921	288,886	3.13%	91,567	0.85%	3.53%
County						
1980	103,236	2,359	2.29%	1,091	1.06%	3.34%
1990	116,467	2,220	1.91%	1,282	1.10%	3.01%
Uninc. Area						
1980	29,674	569	1.92%	473	1.59%	3.51%
1990	32,172	410	1.27%	503	1.56%	2.84%

SOURCE: 1980, 1990 U.S. CENSUS

			For Rent	For Sale Eff. Vacant
State:	10381206			
YR. RND	10761659			
County:	112965			
YR. RND	116467	1980	0.00	0.00 ***
		1990	0.01	0.00 ***

HOUSING CONDITIONS

Year Structure Built

Housing conditions can depend on the age of the housing stock. Table 5 compares the State, County and unincorporated area's housing stock. It shows the percentage of homes which were built during a particular time period. The table indicates that for each jurisdiction, almost one-fourth of the housing stock was built between 1960 and 1969. Since then the unincorporated area had the largest percentage of its housing stock built. Almost 30% of the homes built in the unincorporated area were built since 1970 versus about 25% for California and the County as a whole. About half of the homes in the State and the County were built before 1960.

Most likely the homes which would require rehabilitation are those built before 1940. In the unincorporated area, these units constitute about 14.1% of the total housing stock. It is estimated that about half will be deteriorated beyond rehabilitation and would need replacement. The other half will be in a condition wherein conservation is feasible. Thus, given the 1980 Census figure citing 29,739 housing units in the unincorporated area, the maximum number of units which may require replacement or rehabilitation is about 2,080 units.

TABLE 5

AGE OF STRUCTURES

Year Structure Built	California	Monterey County	Unincorporated Area
1979 to March 1980	4.1	3.4	3.6
1975 - 1978	10.4	10.9	13.7
1970 - 1974	12.8	14.1	15.3
1960 - 1969	23.8	25.1	25.1
1950 - 1959	21.9	21.1	17.9
1940 - 1949	12.4	11.8	10.3
1939 earlier	14.6	13.6	14.1
	100%	100%	100%

Source: 1980 U. S. Census of Population and Housing.

Housing Needs in Target Areas: Boronda, Pajaro, Castroville

In March 1991, the Monterey County Housing Authority conducted a windshield survey of housing unit conditions in three unincorporated communities: Boronda, Pajaro, and Castroville. The survey separated housing conditions into three categories: "substantial", "moderate" and "minor". According to the results of the survey, the following percentage of total units and number of units were either in need of moderate or substantial rehabilitation or in need of replacement: Boronda - 80% or 196 units; Pajaro - 78% or 253 units; Castroville - 21% or 229 units for a total of 678 units requiring rehabilitation or replacement in these communities. Since these communities contain primarily lower income households, it can be assumed that all housing units requiring rehabilitation or replacement are occupied by lower income households.

The County conducted a property inspection survey in the three target areas of Boronda, Pajaro and Castroville. This survey determines the housing rehabilitation needs in these communities and is used as the basis for directing funds for rehabilitation such as Community Development Block Grants (CDBG). A more detailed account of the survey findings is provided below.

WINDSHIELD SURVEY 3/29/91
FOR HOUSING REHABILITATION ACTIVITIES
HOUSING CONDITION SURVEY AND
PRELIMINARY COST ESTIMATE

		NO WORK	SOUND	MINOR	MODERATE	SUBSTANTIAL	DILAPIDATED	TOTAL
CASTROVILLE								
	UNITS	200	252	119	124	24	5	724
S.F.	COST	0	$743,500	$530,000	$1,036,900	$389,900	122,500	$456,500
	PERCENT	28%	35%	16%	17%	3%	1%	
	UNITS	112	203	17	33	2	3	370
M.F.	COST	0	$179,400	$35,100	$98,400	$70,000	$73,500	$2,823,400
	PERCENT	30%	55%	5%	8%	1%	1%	
PAJARO								
	UNITS	20	7	14	83	55	12	191
S.F.	COST	0	$19,400	$70,100	$783,200	$898,700	$288,000	$2,059,400
	PERCENT	11%	4%	7%	43%	29%	6%	
	UNITS	35	12	17	48	22	0	134
M.F.	COST	0	$25,000	$83,300	$333,400	$338,200	0	$779,900
	PERCENT	26%	9%	13%	36%	16%	0%	
BORONDA								
	UNITS	4	6	13	108	88	10	229
S.F.	COST	0	$13,700	$70,800	$1,083,200	$1,423,700	$239,000	$2,830,400
	PERCENT	1%	3%	6%	47%	38%	5%	
	UNITS	0	0	0	15	2	0	17
M.F.	COST	0	0	0	$141,500	$39,000	0	$180,500
	PERCENT	0	0	0	88%	12%	0	

HOUSEHOLD CHARACTERISTICS

HOUSEHOLD TYPE

According to the 1990 U.S. Census, a large majority, or about 94% of the County's population of 355,660 people, lived in households. There were about 112,965 households in Monterey County in 1990, and about 73.5% of those households were composed of related individuals or family households. By comparison, the State has about 69% of its households composed of related individuals. In the unincorporated area, about 78% of the households are family households. As shown by Table 6, about 26.5% of the County's households were composed of single person households or households of non-related individuals while the State has 31% of its households in that category and the unincorporated area has 22% of its households in that category.

TABLE 6

HOUSEHOLD SIZE AND HOUSEHOLD TYPE STATE/COUNTY/UNINC. AREA

	STATE		COUNTY		UNINC. AREA	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
1 PERSON						
MALE HOUSEHOLDER	1,070,030	10.31%	9,454	8.37%	2,207	7.06%
FEMALE HOUSEHOLDER	1,359,837	13.10%	13,545	11.99%	3,102	9.92%
NONFAMILY HOUSEHOLDS						
MALE HOUSEHOLDER	498,912	4.81%	4,241	3.75%	952	3.05%
FEMALE HOUSEHOLDER	313,033	3.02%	2,710	2.40%	588	1.88%
FAMILY HOUSEHOLDS						
2 OR MORE PERSONS						
MARRIED W/ CHILDREN	2,791,452	26.89%	36,179	32.03%	10,259	32.82%
MARRIED WO CHILDREN	2,678,070	25.80%	30,246	26.77%	10,765	34.44%
MALE HOUSEHOLDER NO WIFE W/ CHILDREN	252,314	2.43%	2,756	2.44%	660	2.11%
MALE HOUSEHOLDER NO WIFE WO CHILDREN	225,378	2.17%	2,097	1.86%	578	1.85%
FEMALE HOUSEHOLDER NO HUSBAND W/ CHILDREN	784,315	7.56%	8,082	7.15%	1,344	4.30%
FEMALE HOUSEHOLDER NO HUSBAND WO CHILDREN	407,865	3.93%	3,655	3.24%	804	2.57%
TOTAL HOUSEHOLDS:	10,381,206	100.00%	112,965	100.00%	31,259	100.00%

SOURCE 1990 U.S. CENSUS

HOUSEHOLD SIZE

Household size figures determine those parts of the County where larger or smaller homes are needed. The trend toward larger household sizes during the current decade is a reverse of the trend experienced during the 1970-1980 decade when household size was getting smaller. For example, in 1980 the average household size for the County was 2.85 persons per household (2.81 when Fort Ord households are excluded) while Table 7 (reflecting 1990 Census) shows the County household size is 2.96 persons per household. Similarly, in 1980 the average household size for the State was 2.68 persons per household while the 1990 Census shows the State's household size was 2.79 persons per household.

However, in the past decade, the above trend was reversed in the unincorporated area where household size has decreased slightly rather than increased. In 1980 the unincorporated area's household size was 3.00 persons per household and in 1990 it was 2.97, almost the same as the County as a whole.

TABLE 7

HOUSEHOLD SIZE

	STATE		COUNTY		UNINC. AREA	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
1 PERSON	2,429,867	23.41%	22,999	20.36%	5,309	16.98%
2 PERSONS	3,231,002	31.12%	34,505	30.54%	10,630	34.01%
3 PERSONS	1,725,777	16.62%	19,302	17.09%	5,330	17.05%
4 PERSONS	1,514,233	14.59%	17,391	15.40%	4,985	15.95%
5 PERSONS	757,062	7.29%	8,983	7.95%	2,437	7.80%
6+ PERSONS	723,265	6.97%	9,785	8.66%	2,568	8.22%
TOTAL HSE HLDS:	10,381,206	100.00%	112,965	100.00%	31,259	100.00%
PERSONS/HSEHLD:	2.79		2.96		2.97	

SOURCE 1990 U.S. CENSUS

Table 7 also shows the number of households by size, and compares their percentage distribution within household size categories between the State, the County and the unincoporated area. The County's one-person households made-up 20% of all households, slightly smaller than the State's which had about 23% one-person households. The smallest incidence of one person households were found in the unincorporated area where they comprised 17% of all households.

Two person households were the largest percentage in both the State, the County and the unincorporated area comprising 31.12%, 30.54% and 34% of all households respectively, in that household size category.

The distribution of households was generally the same in the County as in the State. All household size categories which consist of 3-persons and over were, on a percentage basis, only slightly larger than the State's. For example, the number of 3-person households constituted 17% of the County's households and 16.6% of the State's households ; the number of 4-person households constituted 15.4% of the County's households and 14.6% of the State's; and the number of 5-person households constituted 7.9% of the County's households and 7.3% of the State's.

As indicated by Table 7, the largest percentage difference between the County and the State in household size category is that for the "6+ persons" household size category. The number of households with 6+ persons constituted 8.66% of the County's households and 7% of the State's. The unincorporated area had 2,568 households or 8.22% of all households which contained 6+ persons, a slightly smaller percentage than the County as a whole. The comparatively larger percentage of households with 6+ persons in the County requires that housing programs be geared, to some extent, to the needs of large households for affordable housing at an appropriate size.

It should also be noted that, on the whole, the percentage of smaller households has decreased and the percentage of larger households has increased in both the County and the State between 1980 and 1990. For example, in 1980 the percentage of households consisting of one or two persons was 52.6% in the County and 56.7% in the State. By 1990, the percentage of households consisting of one or two persons decreased to 50.9% and 54.5%, respectively.

On the other hand, the percentage of households consisting of three or more persons increased from 47.4% in the County and 43.2% in the State in 1980, to 49.1% and 45.47%, respectively in 1990. Between 1980 and 1990 the largest percentage increase for both the State, and the County was in the "6+ persons" household size category, increasing from 5.6%, and 7.1%, respectively,

to 6.97% and 8.66%, respectively.

However, it is significant to note that the unincorporated area experienced a decrease in the "6+ persons" household size category, from 8.9% in 1980 to 8.22% in 1990.

Overcrowding

Overcrowding occurs when a households' living area is insufficient to meet the spatial living space of the household. Overcrowding usually occurs when large households live in small units. It may also occur when families "double up" into one unit in order to reduce housing costs. The 1990 Census has defined "overcrowded" units as those housing units which contain more than one person per room (excluding bathrooms) and "severely overcrowded" units as those units containing more than two persons per room.

The incidence in overcrowding has increased dramatically over the previous decade. For example, according to the 1990 Census, the County as a whole has about 15% of its households overcrowded; a five percent increase over the 1980 Census figure of 10%. In 1990, 10.79% of all County households are overcrowded renters, an almost four percent increase over the 1980 figure of 7%. Similarly, in 1990 4.36% are homeowners experiencing overcrowding, again an increase over the 1980 figure of 3%. Finally, according to the 1990 Census of all overcrowded households, 71.2% are renter households - a slight increase of the 1980 figure of 68%.

Table 8 shows that, when compared to the State, the overall incidence of overcrowding is about 3% higher in Monterey County than in the State. Similarly, the incidence of overcrowding among homeowners is about 1% higher in the County than in the State and the incidence of overcrowding among County renters is 2% higher than renters in the State.

Table 8 also shows that 3,832 of the unincorporated areas' households live in overcrowded conditions. This number constitutes about 12% of all unincorporated area households. Of this number 2,528 or about 8% of all households were renters experiencing overcrowding and 1,304 or about 4% of all households were owners experiencing overcrowding. As shown by Table 8, overcrowding in Monterey County, particularly the relatively large increase in renter overcrowding in the past decade, indicates a need for the development of more large rental units.

TABLE 8

OVERCROWDING (1.01+ PERSONS PER ROOM)

	STATE		COUNTY		UNINC. AREA	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
OWNER OCCUPIED						
.50 OR LESS	3,834,408		36,781		14,730	
.51-1.00	1,567,650		15,493		5,555	
=========						
1.01-1.5	204,314	1.97%	2,306	2.04%	654	2.09%
1.51-2.00	106,139	1.02%	1,535	1.36%	391	1.25%
2.01 OR MORE	61,432	0.59%	1,087	0.96%	259	0.83%
=========						
TOTAL OVERCROWDED	371,885	3.58%	4,928	4.36%	1,304	4.17%
TOTAL OWNER D.U.	5,773,943		57,202		21,589	
**********						
RENTER OCCUPIED						
.50 OR LESS	2,034,335	19.60%	21,490		3,716	11.89%
.51-1.00	1,669,436	16.08%	22,081		3,426	10.96%
=========						
1.01-1.5	333,816	3.22%	4,673	4.14%	849	2.72%
1.51-2.00	276,334	2.66%	3,690	3.27%	745	2.38%
2.01 OR MORE	293,342	2.83%	3,829	3.39%	934	2.99%
=========						
TOTAL OVERCROWDED	903,492	8.70%	12,192	10.79%	2,528	8.09%
TOTAL RENTER D.U.	4,607,263		55,763		9,670	
**********						
ALL HOUSING UNITS						
.50 OR LESS	5,868,743	56.53%	58,271		18,446	59.01%
.51-1.00	3,237,086	31.18%	37,574		8,981	28.73%
=========						
1.01-1.5	538,130	5.18%	6,979	6.18%	1,503	4.81%
1.51-2.00	382,473	3.68%	5,225	4.63%	1,136	3.63%
2.01 OR MORE	354,774	3.42%	4,916	4.35%	1,193	3.82%
=========						
TOTAL OVERCROWDED	1,275,377	12.29%	17,120	15.16%	3,832	12.26%
TOTAL H.U.	10,381,206		112,965		31,259	

SOURCE 1990 U.S. CENSUS

SPECIAL NEEDS GROUPS

Special needs groups include people within the society that are at a disadvantage in obtaining housing. These groups include large households, elderly households, female headed households, elderly households, farmworker households, and handicapped households.

The special needs groups are sub-markets within the conventional concept of a housing market. There is no guarantee that a normal housing market, unrestricted by land use and environmental constraints, will provide for the housing needs of all the above groups. During the development boom of the fifties and sixties, these groups continued to have special housing needs. The current housing market, therefore, makes it imperative that these groups be given special consideration.

Large Households

Large households may have problems finding housing that is suitable in terms of size and cost. Large households may be overcrowded in smaller units because large units could not be afforded or obtained.

The 1990 U.S. Census shows there were over 2,568 large households (6+ persons per household) in the unincorporated area which composed 8.22% of all households. Of this number 1,365 households were renters and 1,203 households were home owners.

Elderly Households

Elderly persons may have affordability problems. Those elderly with fixed incomes, especially single females, may have problems keeping a home particularly when elderly persons assume sole ownership of the family home at the time their spouse dies. They may not be able to maintain the home they own on a limited income.

Elderly persons also can be the victims of condominium conversions or conversions of mobile home parks. When these events occur, they are the least able to adjust to the cost factor involved in conversions. Additionally, many of the elderly have moved from large homes and into small apartments or mobile home parks. As the housing crisis becomes more pronounced, these apartments are sometimes converted to condominiums or the land under the mobile home is converted to another use. In the case of condominium conversions, each individual unit must now be bought instead of rented. The monthly payments for condominiums will often be increased from 100 to 200 percent of their original rental costs. Those who cannot pay the inflated costs must move in an attempt to find cheaper housing elsewhere. In relocating,

longstanding friendships are broken and familiar surroundings are lost. These events can be quite traumatic and have a devastating impact on the most frail members of our society.

Elderly persons, those over 65, have become a larger portion of the County population over the past 20 years. Elderly persons comprised 8.2% of the County population in 1970, 9.2% in 1980 and 9.76% in 1990. According to the 1990 U.S. Census the unincorporated area has a total of 11,724 persons who are elderly and comprise 11.7% of the unincorporated area population. In addition the Census counts 6,193 elderly households in owner occupied housing units and 1,000 elderly households who are renters, for a total of 7,193 elderly households.

Female Heads of Families with Minor Children

Problems of affordability which exist for elderly persons are also applicable to households with female heads. Information on income relative to female headed households indicated that these households earned only two-thirds the income earned by male headed households. The affordability problem is even more critical when the household contains small children. Women who have children often face the unpleasant choice of accepting welfare so they will have time to raise their children or securing a job that pays enough to cover day care costs over and above regular living expenses. Households with children have also been subject to discrimination by landlords further compounding the housing problem.

According to the 1990 Census, statewide, 7.56% of all families were headed by females with minor children. The State's percentage figure is close to the County's figure of 7.15% for this category. This category comprised about 4.3% of all households in the unincorporated area. There are a total of 1,344 households with minor children headed by a female in the unincorporated area.

Farmworker Households

Farmworkers have played a notably active role in Monterey County's economic growth. Sometimes encouraged to come to the County to harvest crops, they are generally members of a minority group, low income, uneducated, unskilled, and generally do not speak English. Farmworkers, when they find affordable housing, live in some of the most substandard housing units in the County. Although statistical information on farmworkers is not readily available, a cursory tour of labor camps in Monterey County by staff personnel and continued reports of farmworkers living in self-made shelters makes meeting the housing needs of farmworkers more critical.

Farmworker Housing

Farmworker housing is defined in the Monterey County Zoning Ordinance Title 21 under four different definitions: Farm Employee Quarters, Farm Employee Family Housing, Farm Employee Housing Facility, and Labor Supply Camp.

Farm Employee Quarters is defined as: "Rooming houses and boarding houses and mess halls for less than five farm employees or three families customarily employed principally on land owned by the owner of the building site occupied by said houses or halls. Farm employee quarters also means farm employee family housing where two or less families are provided living quarters or housing accommodations."

Farm Employee Family Housing is defined to be: "Any place, area, or piece of land under one ownership where three or more families are provided living quarters or housing accommodations."

Farm Employee Housing Facility is defined as: "Any living quarters, dwelling, boarding house, tent, bunk house ... or other housing accommodations, maintained in connection with any work or place where work is being performed, and the premises upon which they are situated and/or the area set aside and provided for camping of five (5) or more employees by a labor contractor or farm employer. Farm Employee Housing Facility shall also mean a labor supply camp.

A Labor Supply Camp is defined to be: "Any place, area, or piece of land where housing is provided for five or more employees or perspective employees of another, by any individual, firm, partnership, association or corporation, that for a fee, employs persons to render personal services for ... a third person..."

Origins of Farm Labor Housing

Zoning for farm labor housing in Monterey County started in 1955, four years after the enactment of the Bracero Program (Public Law 780). Zoning allowed housing to be constructed on agricultural land to provide shelter for migrant field workers. Laborers were housed in barracks, would stay for a season, and then move on.

After The Bracero Program ended in 1964, the use of Mexican immigrants as laborers was reduced. Public Law 414, which replaced Public Law 780, provided that a small number of Mexican citizens could be imported for short periods of time according to farm labor needs. Curtailment of the Bracero Program, therefore, required greater reliance on a more permanent and stable farm labor force.

A shift in emphasis from single men to families as a source of labor was also brought about by changes in agricultural production such as increased mechanization, double cropping, horticultural production, and agricultural processing.

Consequently, many barracks, originally intended for seasonal workers, were converted for family use. Permanent farm labor housing took the form of hastily converted barracks, cabins, shacks, and trailers.

Condition of Labor Camps

The shift in farm production and the type of work force needed gave rise to a housing problem. Units once meant for seasonal occupancy by single men were now used year-round by families of workers. This led to rapid deterioration of farmworker housing. In 1969, two groups surveyed farmworker housing in Monterey County, the Anti-Poverty Coordinating Council and the County's Low Income Housing Committee. Both groups reported that most of the County's farm labor housing was unsafe, unhealthy, and inadequate. The County Housing Authority also reported in 1971 that "a great many of the farm labor families are being forced to live in substandard housing and to pay excessive rents." In 1979, the County Growth Management Task Force reported that "a major portion of the low income families in the Valley are farmworkers and many of these are housed in existing farm labor camps. These camps are deteriorating and generally are in poor condition."

In 1991, living conditions in labor camps have gotten worse. The Center for Community Advocacy issued a report in February 1991 on the status of labor camp conditions. The report stated "The camps now serve as year-round, permanent housing for farmworker families. The switch from seasonal housing to year-round housing has created severe problems. Septic tank systems are inadequate and frequently create health hazards. Camp residents often complain that raw sewage accumulates in open, common grounds and that it backs into their apartments through shower stall drains. Water supply systems are equally inadequate. Farmworkers sometimes go days, sometimes weeks, without water because pumps give out. At one camp, fertilizers, nitrates, and pesticides contaminated drinking water for months, forcing labor camp tenants to drive into a neighboring town to get water to drink and wash. Year-round family use has also begun to crumble the once temporary housing units: ceilings collapse, walls crack, and floors submerge. Outside common grounds are unsurfaced, turning into a quagmire when rains come. Residents literally have to trod through mud fields to get to and from their homes. Amid this squalor, farmworker families pay as much as $500 per month for units consisting of one room, a small kitchenette, and an even smaller bathroom."

Number of Farmworkers

The exact number of farmworkers in Monterey County is difficult to determine because no direct count of farmworkers has been made; however, through examination of employment levels provided by the State Employment Development Department, an indirect count of farmworkers can be made. EDD list the 1989 number of employees under the category "farm labor and management services" as being 8,603 persons during the month of June 1989 - the peak employment month. The existing wage earners per household ratio in Monterey County is approximately 1.4 per housing unit (Rancho San Juan ADC Feasibility Study, p. 4-26, Jones and Stokes Assoc.). Therefore, the number of farmworker households is estimated to be 6,145 households.

Number of Migrant Farmworkers

An estimate of the number of migrant farmworkers can also be made by looking at the number of persons living in group quarters as provided by the 1990 U. S. Census. Group quarters may consist of various living arrangements such as institutions, school dormitories, military barracks, and rooming houses. The Census reports on five (5) different categories of group quarters. One category refers to, among other things, migratory farmworkers camps. The 1990 U. S. Census shows that 1,099 persons lived in housing in the category of "non-institutional group quarters" which included labor camps. This would probably be viewed as a part the number of migratory workers in the County during April 1989 (when the 1990 Census was taken) which is considered the beginning of the agricultural season. Since group quarters refers to housing for single men, the 1,099 population figure would have to be increased by the number of families who migrate during the peak agricultural season.

Number of Farm Labor Camps

It is difficult to estimate accurately the total number of housing units inhabited by farmworkers. Labor camps, usually associated with farmworker housing have also been defined as rental units available to the general public, thus removing these units from the Health Department Inspection roster. Additionally, smaller camps housing four employees or two families or less were considered part of a farming operation and were therefore, not recorded as labor camps. Thus, until there exists a more methodical system of defining and recording farm labor housing, figures reported should be noted as estimates only.

There is some indication that the number of housing units available to farmworkers have diminished quite substantially in the unincorporated area. Many labor camps have deteriorated to a point where demolition was necessary. Many camps were closed

because of health problems or because the farmer no longer wanted to maintain employee housing. The County Health Department for example, had 136 labor camps on its active inspection roster in 1972. In 1990, it had only 40 single and family camps on its inspection roster and thus, remains the best estimate on the number of the number of labor camps still operating.

Handicapped Persons

Handicapped households are also at a disadvantage in obtaining housing. Depending on their disability, handicapped persons often require housing units which have been modified to accommodate their special needs. Many landlords are not willing or able to make conversions to suit the handicapped. These citizens must look to help from other sources, such as government programs, for aid in securing habitable housing.

The number of handicapped persons in the County has important planning implications. For example, a survey of local agencies serving the handicapped, highlighted the need for housing with special access and design features, certain social support services, and handicapped access to facilities such as transportation. Table 9 shows that according to the 1980 U.S. Census, 2.4 percent of the men and almost 4 percent of the women of working age are not in the labor force because of a disability. About one (1) percent of the working age population has a public transportation disability; the proportion of elderly disabled (12.5%) is much larger than that of the population at large.

TABLE 9

Noninstitutionalized Disabled Persons in the County

Males, 16-64 Years	97,453	100.0
With a Work Disability	7,449	7.6
Prevented From Working	2,331	2.4
Females, 16-64 Years	90,636	100.0
With a Work Disability	6,428	7.1
Prevented From Working	3,404	3.8
Persons, 16-64 Years	188,089	100.0
With a Public Transportation Disability	2,265	1.2
Persons, 65 years and older	25,362	100.0
With a Public Transportation Disability	3,173	12.5

Source: 1980 U. S. Census of Population.

The Table shows 19,612 persons between 16-64 years of age with a work disability or who are prevented from working altogether. Additionally, the Table shows 3,173 persons with a transportation disability, totalling 22,785 people with some form of disability. The total amount of disabled comprised 6.4% of the County population. Assuming the same percentage distribution of disabled people, the number of disabled persons for the unincorporated area in 1990 is estimated to be 6,440 people.

According to Mr. Marty Cohen, Program Director of the Mental Health Division of the Robert Wood Johnson Foundation, the number of chronically mentally ill is estimated to be one percent of the national population and that only 20% of the chronically mentally ill are receiving adequate services and affordable housing. Of the remaining 80%, an estimated 30% are living in inappropriate, substandard or excessively costly housing.

The population in the unincorporated area is currently 100,607 and using the 1% figure cited above, the estimated number of chronically mentally ill individuals in the unincorporated area is 1006. Of that total, approximately 300 are probably inappropriately or inadequately housed.

As of May 1989, the County's Mental Health Department recorded 725 individuals who received medications or case management services, representing 21% of the overall mentally ill population in the County. Health Department records show that case management services are provided to less than 40% of the individuals known to the County. The largest percentages (32%) live independently, with family (24%) or at board and care facilities (21%).

Housing Needs of Mentally Disabled

According to the Community Housing Plan prepared for Interim Inc. by Karen Nilsen (1990), mentally disabled individuals have great difficulty finding housing in Monterey County that they can afford. Estimates suggest that some 800 mentally disabled persons living in the County are inadequately or inappropriately housed or are overpaying for their housing. Most severely mentally disabled individuals receive public assistance benefits of under $700 a month. Since this is usually their sole source of income, these people can afford to pay approximately $210 per month in rent. (Suggested federal standards are that only 30% of income should be used towards rent.) In the inflated housing market of Monterey County this severely limits their choices.

The supply of decent affordable housing is inadequate to meet the needs of the mental health consumer community in Monterey County. Given the economic incentives to developers, it seems unlikely that affordable housing on the scale needed will be built by private developers, and rent subsidies from the federal govern-

ment are not available to many of the mentally disabled individuals who need them.

Most mentally disabled individuals prefer to live in their own apartments, in settings where they can assume as much independence as they can handle, over all other housing options.

Homeless People

The number of homeless people seems to have increased within the past decade. According to newspaper reports, the homeless are no longer confined to chronic indigents or "skid row" types. In 1989 the County Board of Supervisors commissioned a survey of the County's homeless population which was undertaken during the months of September and October 1988. The study, known as "A Study of Homelessness in Monterey County", was prepared by Karen Northcutt and Associates. The Study rendered the following findings:

1) The estimated number of homeless individuals within Monterey County at any given time ranges between 1,300 and 2,200 people.

2) The homeless in Monterey County tend to be male (79%), single (43%), Hispanic (46%) or white (37%), between the ages of 25 and 44 (59%), and not a high school graduate (54%).

3) In addition to the above number, it is estimated that there are between 370 and 630 children who are homeless.

4) Almost 50% of the homeless stated that the reason they came to Monterey County was to seek employment.

5) Almost 43% of the homeless were, to varying extents, impaired by alcohol or drug abuse and/or mental illness.

6) More than 75% of the homeless have monthly income of less than $500 and most of this income is received through performance of odd jobs.

7) The primary reason given for being homeless was lack of money and a job; yet more than 47% of the homeless reported having at least a part-time job.

8) More than 12% of the homeless were unable to work due to mental or emotional problems.

9) More than 72% of the homeless do not receive any kind of public assistance despite a high incidence of unemployment and low income among the homeless.

Distribution of the Homeless

The Northcutt Study measured distribution by the number of surveys completed by County area. The distribution was as follows: 1) Salinas Area: 47%; 2) Monterey Peninsula Area: 22%; 3) North County: 8%; 4) South County: 15%; and 5) Refused to be interviewed: 8%

In addition, the 1990 Census counted 134 persons in "Emergency Shelters for the Homeless" in the County and 36 persons were counted as living in homeless shelters in the unincorporated area.

On September 25, 1990 the County's Homeless Task Force formulated a Homeless Services Plan (HSP) which outlined goals policies and programs, specific to the needs of the homeless. The Board of Supervisors adopted the Plan on November 13, 1990 and the Department Social Services is charged with implementing the provisions therein.

The process that the Task Force employed in developing the HSP involved gathering documented public input for the purposes of assessing the current scope of the homeless problem in Monterey County. The data which was gathered included resources presently available to the homeless, and any unmet needs or gaps in the current system of homeless services.

By viewing the proposed service delivery system from a continuum of care perspective, a context for analysis of current services was provided. Analyzing available services on preventive, emergency, transitional, and stabilization levels created a mechanism for identifying the gaps in this continuum.

Existing Services to the Homeless

The County provides a myriad of services and resources for the homeless through several Departments. The Health Department provides Public Health, Drug and Alcohol, and other health-related services to the homeless. Natividad Medical Center provides 24-hour medical care to low-income and indigent persons. The Sheriff's Department provides the major safety net in the unincorporated areas to ensure that homeless persons are in a safe environment.

The Social Services Department provides direct services to homeless persons through entitlement programs such as Aid to Families with Dependent Children, General Assistance, AFDC Homeless Assistance Payments, Food Stamps, and 24-hour Social Worker emergency response services. In addition, the Social Services Department coordinates and/or administers contracts with non-profit

agencies to provide direct services to homeless persons, such as emergency shelters, drop-in centers, information and referral, food distribution programs, congregate feeding programs, homeless prevention, and case management services. The Department leverages grants, revenues, federal, and state dollars in order to provide this wide range of services.

Homeless Prevention Services

Homeless prevention services are those services designed to prevent or avoid an actual incidence of homelessness. The devastating impact of homelessness upon a family or individual cannot be measured in dollars. The costs to society are immense. It is estimated that it is three to six times cheaper to prevent an incidence of homelessness than it is to provide emergency shelter, and these costs increase tremendously when utilizing welfare hotels.

Current homeless prevention services available in Monterey County include information and referral, conflict resolution and mediation services, legal services, utility assistance programs, rent deposit guarantees, and a pilot program in eviction prevention that provides direct financial assistance to prevent imminent eviction.

Emergency Homeless Services

Once an individual or family is actually homeless and living in their car or on the street, emergency shelter and services are required to address this crisis. The array of services available to homeless families and individuals in Monterey County vary from entitlement assistance for homeless families to emergency shelters for special needs populations. In addition to emergency protective services, emergency food, and emergency medical services are available.

Current emergency services available to the homeless in Monterey County include 24-hour emergency response services, emergency medical services, emergency mental health services, AFDC Homeless Assistance, General Assistance, and other emergency services including shelter, food, and clothing provided by local churches and other community based organizations.

Emergency Shelters in Monterey County

The following programs offer emergency shelter services to homeless families and individuals in Monterey County.

1. Funded By The County And Other Sources

- Shelter Plus (Salinas)

- Natividad Road site: 35 beds
- El Dorado Motel: 80 beds

- Serves male/female head of household families, single women with children, and single women who are homeless as a result of domestic violence and other causes of homelessness.

- Peninsula Outreach (Seaside)

- Sonoma St. site: 14 bed spaces
- Hamilton St. site: 16 bed spaces

Serves mostly female head of household families, single women.

TOTAL COUNTY-FUNDED BED SPACES: 145

2. Non-County Funded Emergency Shelters

- Salinas Victory Mission (Salinas)
  47 beds for single males only

- Pajaro Rescue Mission (Pajaro)
  50 beds for single males only. Typically, this shelter receives most of its referrals from Watsonville.

TOTAL NON COUNTY BED SPACES: 97

3. Special Needs Shelters

- YWCA of the Monterey Peninsula (Domestic Violence)
  18 beds for women with children, single women

- Interim Crisis Shelter (Mental Health Crisis)
  10 beds for men and/or women

- Community Human Services Project (Teens in crisis)
  5 beds for males/females

Sun Street Centers (Salinas)
Serves single male alcoholics.
4 bed spaces

TOTAL SPECIAL NEEDS BED SPACES: 37

Winter Emergency Shelter Plans

The Department of Social Services developed a winter emergency shelter plan for the homeless for November through April 15. The plan expands the usual number of shelter services available during the non-winter months to include the following:

1) **SWINGING DOOR (Soledad Street, Salinas, 758-4074)**

The facility will remain open on a 24-hour basis for November, through March, serving approximately 75 individuals nightly. Services are targeted to adult males who are homeless "street people" and other shelterless adult males who are appropriate to the setting and the population it normally serves. Adult women who normally visit the facility during the daytime may also be sheltered.

2) **SHELTER PLUS (Natividad Road, Salinas, 1-800-339-8228)**

This shelter will accommodate approximately 8 single adult females in addition to its year-round bed spaces for women and children. These added bed spaces will be offered from December through March.

3) **SHELTER PLUS - KING CITY MIGRANT LABOR CAMP (Jayne Street, 1-800-339-8228)**

The King City migrant camp will be used as a family emergency shelter from January to April. This shelter will accommodate 20 male/female head of household families.
Participants will be South County homeless only, with primary focus on King City homeless. This site may serve approximately 80-120 individuals nightly.

4) **MOTEL VOUCHERS**

DDS staff may issue GA motel vouchers as appropriate and in accordance with AD 91-03 (General Assistance and AFDC/SSI Households), and Adult and Children's Services Standby policies and procedures.

5) **NATIONAL GUARD ARMORY, SALINAS**

In the event of <u>severe and prolonged</u> inclement weather during the upcoming winter season, DSS staff will coordinate with the County's Emergency Services Coordinator to access the National Guard Armory for emergency shelter to supplement the inclement weather plan described above if necessary.

6) **24-HOUR INFORMATION AND REFERRAL ASSISTANCE:**

Homeless clients may be referred to the toll-free number operated by Shelter Plus for information and referral assistance, including available emergency shelter and other services related to homelessness and hunger. Call 1-800-339-8228

Transitional Housing Services

After an individual or family has been stabilized in an emergency shelter, and the immediate crisis has passed, the need for transitional housing and transitional services in essential. Without some form of a structured program to return the homeless to permanent and stable housing, the risk of repetitive episodes of homelessness is very high. Transitional housing is subsidized housing that is combined with a program of services that are structured to end the cycle of homelessness. Typically, transitional housing programs last from six months to one year. Presently, current transitional housing programs for the homeless in Monterey County are very limited. Transitional housing programs for special needs populations of the homeless do exist in Salinas and on the Monterey Peninsula. These programs include transitional housing for the mentally ill and substance abusers. Recently, transitional housing for single men has begun on the Monterey Peninsula at the shelter run by Peninsula Outreach. In addition to this, a pilot project offering transitional case management services to the homeless was begun by the Salvation Army in Monterey County.

As illustrated in Table 10, services available to the homeless in Monterey County are mostly on the emergency level. Testimony and shelter utilization data indicates a need for additional emergency capacity. This need may be mitigated by developing more preventive and transitional programs.

TABLE 10

CURRENT LEVEL OF SUPPORT SERVICES IN MONTEREY COUNTY

HOMELESS PREVENTION	EMERGENCY SHELTER	TRANSITIONAL HOUSING PROGRAMS	LOW - INCOME HOUSING
Information and Referral	Adult and Child Protective Services	Homeless Case Management Program	Supportive Housing (Interim)
Conflict Resolution	24-hour Emergency Response Services	Alcohol-Free Living Centers (Substance Abuse)	Housing Authority Low-Income Housing
Mediation Services	Emergency Medical Services	Interim Transitional Housing Program (Mental Health)	Section 8 Programs
Legal Services	Mental Health Crisis Team	Peninsula Outreach	
Utility Assistance	Alcohol Detox Services		
Rent Deposit Guarantee Program	Emergency Shelters:		
Eviction Prevention Assistance	Domestic Crisis Services		
Case Management	Family Emergency Shelter		
	Peninsula Outreach		
	Interim Crisis House		
	Victory Mission		
	Pajaro Rescue Mission		
	YWCA Shelter		
	Salvation Army, Salinas		
	Salvation Army, Seaside		
	Salvation Army Extensions		
	General Assistance		
	AFDC Homeless Assistance		
	Soup Kitchens		
	Emergency Food Pantries		
	Church-related Services		

Identified Needs of the Homeless

In analyzing available support services to the homeless, a model developed by HomeBase/Regional Support Center for Homelessness Policies and Programs is useful. Table 11 offers a list of the various support service needs by the various subpopulations of the homeless. Two columns have been added to this, the first to indicate whether or not those support services are currently available (yes/no), and the second whether or not available services are adequate to meet the current level of need.

An "A" rating indicates that these services are currently among the highest priority of need; either they do not exist at all or are so inadequate in light of the demand for this service that it requires the highest priority for development. A "B" rating indicates that some level of these services already exist but do not meet the current level of identified need. A "C" rating indicates that adequate resources are available; these are typically entitlement programs where the main problem may be eligibility, not service availability.

Table 11 provides a ready analysis of the needs of the homeless in Monterey County, and it illuminates various issues developed by the Task Force. While 90% of the services indicated on this chart exist to some degree in Monterey County, almost 75% of them are regarded as being inadequate to meet the current need. The lack of stability of emergency shelters and the absence or inadequacy of specialized emergency shelters illustrate a major concern of the Task Force. The lack of outreach services and its implications for serving rural areas is also indicated in this analysis.

TABLE 11

SUPPORT SERVICES NEEDS BY SUBPOPULATIONS OF THE HOMELESS

SERVICES NEEDED BY ALL HOMELESS	CURRENTLY AVAILABLE	SERVICES ADEQUATE?
Prevention/early intervention	Y	B
Emergency shelters with support services	Y	B
Case Management	Y	B
Transitional Programs	N	A
Loans/grants for moving-in expenses, deposits, or rent assistance	Y	B
Day facilities with showers; phone/ message/mail; storage	Y	B
Public assistance benefits	Y	C
Transportation	Y	C
Medical health treatment	Y	B
Independent living skills training	Y	B
Support groups	Y	B
Legal advocacy	Y	B
Sustained assistance for locating permanent housing	Y	B
SERVICES NEEDED BY HOMELESS FAMILIES		
Housing/shelter arrangements promoting family privacy and cohesiveness and containing supportive services	Y	B
Aid to Families With Dependent Children	Y	C
Employment services	Y	B
Child care and respite services	Y	B
Educational/school programs for children	Y	B
SERVICES NEEDED BY HOMELESS SINGLE MEN		
General Assistance benefits	Y	C
Employment services	Y	B
SERVICES NEEDED BY HOMELESS SINGLE WOMEN		
General Assistance benefits	Y	C
Employment services targeted for women	N	B
Single sex access to services	Y	B
SERVICES NEEDED BY HOMELESS YOUTH		
Employment services	Y	B
Family reunification or foster care, where applicable	Y	C
SERVICES NEEDED BY THE HOMELESS MENTALLY ILL		
Case Management	Y	A
Supportive long-term housing with easy access to services	Y	B
Transitional housing	Y	B
Supplemental Security Income	Y	C
Vocational rehabilitation	Y	B
Employment services	Y	B
Money management services	Y	B
On-going, accessible mental health treatment	Y	C
Inpatient services	Y	C

TABLE 11

SUPPORT SERVICE NEEDS
BY SUBPOPULATIONS OF THE HOMELESS

	CURRENTLY AVAILABLE	SERVICES ADEQUATE?
SERVICES NEEDED BY THE HOMELESS ELDERLY		
Supportive, long-term housing with easy access to services	Y	B
Social Security	Y	C
Supplemental Security Income	Y	C
Employment services	Y	B
SERVICES NEEDED BY THE PHYSICALLY DISABLED HOMELESS		
Accessible residences with easy access to services	Y	B
Supplemental Security Income	Y	C
Disability insurance	Y	C
Employment rehabilitation services	Y	B
Outreach services	N	A
SERVICES NEEDED BY HOMELESS SUBSTANCE ABUSERS		
Detox and post-detox residential treatment	Y	A
Outpatient services	Y	B
Prevention services	Y	B
Sober housing environments	Y	B
SERVICES NEEDED BY HOMELESS VICTIMS OF DOMESTIC VIOLENCE		
"Safe" transitional housing	Y	A
Counseling and advocacy	Y	B
Peer support groups	Y	B
Job training	Y	B
AFDC	Y	C
Childcare/respite care	Y	B
Education programs for children (see above for women, families)	Y	B
SERVICES NEEDED BY HOMELESS VETERANS		
Veterans' benefits	Y	C
Veterans' issues counseling and advocacy	Y	B
Medical care	Y	B
SERVICES NEEDED BY HOMELESS PEOPLE WITH AIDS/ARC		
Long-term supported residences with easy access to services	N	A
Specialized medical services	Y	B
Hospices	Y	B

Gaps in Homeless Services

In conducting its assessment of the current homeless population and their needs, the Homeless Task Force identified several gaps in the County's homeless service delivery system. These needs were first identified in the Northcutt Report. Additional information has come forth to support these findings and speaks to additional unmet needs of the homeless.

Some of the unmet needs of the homeless in Monterey County include centralized and coordinated services, an information and referral hotline, additional emergency shelter capacity, migrant farm worker housing, transitional housing and services, drop-in day shelters on the Monterey Peninsula, a mobile outreach service, and a homeless employment program. Child care services are also a need of homeless families seeking assistance and employment in order to break the cycle of homelessness.

Since the Northcutt Report was released, the Family Emergency Shelter operated by the Salvation Army in Salinas has closed. In addition to this loss of emergency shelter capacity, Peninsula Outreach in Seaside has also experienced difficulty in maintaining building code requirements and has consequently been forced to scale back their shelter operations. The loss of emergency shelter beds renders the development of same to a most critical priority. The need for the protection of the homeless against inclement weather has been illustrated clearly. The maintenance and preservation of existing emergency shelter services is necessary before any new programs or services would have much impact.

Coordination of services is one of the greatest needs. Specific recommendations for coordinating activities and services for the homeless are contained in the Homeless Services Plan. These may range from the establishment of a Monterey County Commission on Homelessness, to the installation of a 24-hour phone number 1-800-SHELTER for Information and Referral. Establishing the Monterey County Department of Social Services as the lead agency in these efforts also addresses a coordinating gap in the existing service delivery system.

The need for outreach among the homeless population was documented and supported by public testimony. Transportation and other structural barriers to getting access to services were identified as perhaps the largest unmet needs of this population. Consequently, the creation of a mobile outreach team was viewed as being the most effective method for closing this critical gap in services.

Transitional housing facilities specifically designed for the homeless do not exist in Monterey County; the Housing Committee established the development of transitional housing programs for homeless families as the highest priority.

Fort Ord Re-use Strategies for Migrant Farm Workers and Homeless

One option that is being explored is the possibility of accessing the East Garrison area of Fort Ord as surplus property under the McKinney Homeless Assistance Act. The area is being reviewed for feasibility as a migrant farm worker housing center as well as a homeless services center. There are presently 89 buildings on that site.

The facilities would include farm worker housing, homeless emergency shelters, transitional housing and a multi-service center to provide a variety of supportive services to the population. the concept is a self-contained village community where services are available and accessible.

There are a myriad of possibilities for creative and successful programs to transition homeless into the main stream community, and to break the cycle of homelessness. Services could include on-site adult school classes, vocational training, counseling, drug/alcohol rehab and mental health programs. Other possibilities include the development of on-site self-help businesses operated by the homeless.

HOUSING MARKET CHARACTERISTICS

HOUSING AFFORDABILITY

Whether a household can afford to purchase a house depends on many factors (personal savings, inflation, mortgage interest rates, operating costs, property tax rates, tax benefits). Housing affordability is a measure of the percentage of families with incomes sufficient to pay the above cost factors required for a median priced house. As shown by Table 3, about 69% of the unincorporated area's households are already homeowners and equity in an existing home increases their ability to afford one. Therefore, housing affordability remains a major issue for renters intending to purchase a house for the first time.

Household Income

Income is the yardstick of a households ability to afford housing. Current income data are not available for this Element. Therefore, 1980 Census data are used and, when appropriate, a straightline projection is applied to 1990 data.

In 1980, the County's median household income level was $17,661, slightly below the state's median income levels of $18,248. Compared to the State, the County had a smaller percentage of its households in the lowest income ($0-$7,500) category.

Most (53%) of the County's households fall within the middle income categories ($7,500-$25,000) and the County had a slightly higher percentage in this category than did the State.

For the upper income category ($25,000+), the County had a smaller percentage in this category than the State. Nevertheless, about one-third of State and County households were in this income category.

Within the County, the unincorporated area had a larger percentage of its households in the upper annual household income categories particularly when compared to the cities. In fact, the unincorporated areas' median income of $21,503, was over $5,000 more than the median household income level in the incorporated cities. Additionally, the unincorporated area had 10.6% of its households making over $50,000, while the incorporated cities had only 3.4% of its households in the same income category.

Very Low, Low, and Moderate Income Households

Federal, State and many local housing programs are aimed specifically at economic segments of the population. These economic groups are defined in reference to the regional median household income level. The 1991 HUD median household income for a family of four in Monterey County was $38,000. Those households who are in the "Very Low" income category earn 0% to 50% of the median income or $0 to $19,000; households considered "Low" income earned 51% - 80% of the median or $19,001 to $30,400; households considered "Moderate" income earned 81% to 120% of median or $30,401 to $45,600 annually.

According to the AMBAG Regional Housing Needs Plan in 1980 the unincorporated area had 3,910 very low income households or 16% of all unincorporated area households, 3,480 low income households or 14% of all unincorporated households, and 5,055 moderate income households or 21% of all unincorporated area households.

Using the same percentage 1980 distribution for households counted by the 1990 Census, the unincorporated area now has 5,001 very low income households, 4,376 low income households, and 6,565 moderate income households.

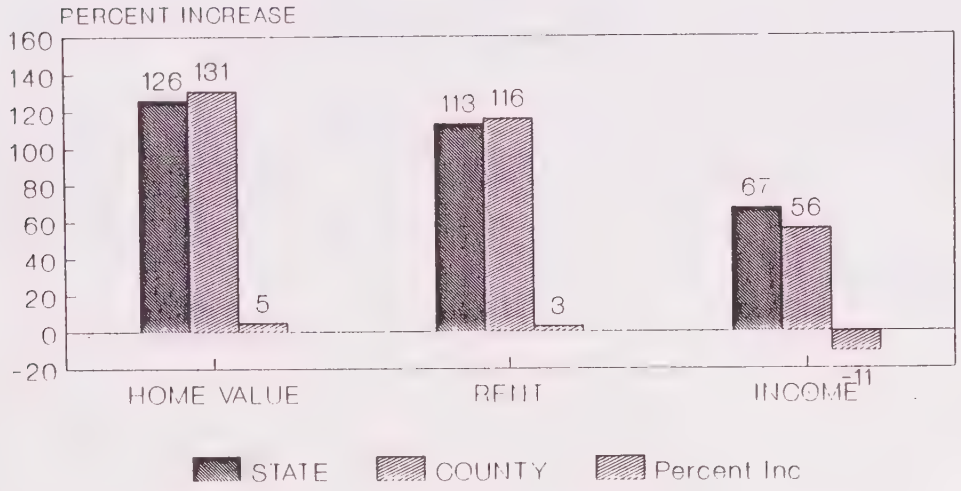
Trends In Income and Housing Costs

Using income tax data from the State Franchise Tax Board, and home value and rent figures from the 1990 U.S. Census, a comparison of the rise in housing costs and rise in incomes between 1980 and 1990 shows that the rise in incomes have not kept pace with the rise in housing costs. For example, Figure 5 shows that the increases in home value and rent for Monterey County between 1980 and 1990 have increased at a much higher rate than the rate of increase in income. When compared with the State, the County's housing cost increases were higher, while the County's rate of increase in median income was lower. Thus, the rise in housing and other costs relative to incomes has adversely affected housing affordability to a greater extent in Monterey County than in the State as a whole.

FIGURE 5

Percent Increase (1980-1990)

Home Value/Rent/Income
State/Monterey County



1980,1990 U.S. Census
State Franchise Tax Board

Lower Income Households and Housing Costs

Overpayment

Ironically, those who can least afford housing have the highest incidence of overpayment for housing. Overpaying households are those households who spend more than 25% of their gross income for housing. (Definition Guideline from the State Department of Housing and Community Development.)

Overpayment for housing can be determined by calculating the amount spent for housing and expressing it as a percentage of gross income. The number of by renters and homeowners affected by overpayment can be found on Table 12. Again, because 1990 Census data are not available, 1980 Census data must be used to quantify the number of lower income households overpaying.

As indicated in Table 12 (and as determined by 1980 Census and AMBAG) 26.7% of all renter households the unincorporated area were lower income households overpaying for rent and 7.7% of all owner occupied households were lower income households overpaying for their mortgage. Although homeowners also experienced overpayment for housing, the cost burden was most likely assumed by choice. By applying the same percentage distributions to current renter and homeowner households it is estimated that in 1990 there are 2,582 lower income renter households overpaying for rent and 1,662 lower income owner occupied households overpaying

for their mortgage for a total of 4244 households overpaying. Again, using AMBAG data on lower income households in 1990 (AMBAG Regional Housing Needs Plan, 1990, Table 15), it is estimated that 45% of all lower income households are overpaying for housing.

TABLE 12

Overpayment: Households in Need of Financial Assistance

	Monterey County	Unincorporated Area
All Lower Income Households	35,203	6,789
*Percent of All Households	38.2%	25.6%
Lower Income Households Overpaying		
Renters		
Number	16,785	2,215
Percent of All Renter Households	40.6%	26.7%
Owner Occupied		
Number	4,483	1,399
Percent of All Owner Occupied Households	8.8%	7.7%
Overpaying as a Percent of All Lower Income Households	60.4%	53.2%

*Excluding Fort Ord Households

Sources: 1980 U.S. Census of Population and Housing.
AMBAG Regional Housing Needs Report 1980 to 1990
December 1983, P. 53.

GOVERNMENTAL CONSTRAINTS

The California Legislature has delegated to local government specific responsibilities and a certain amount of discretionary authority over the development and use of land. Through land use controls, building codes, and development review procedures, requirements and fees, cities and counties influence the location, density, type, number, quality, and appearance of housing units in their jurisdiction. These actions, in turn, affect the cost and availability of housing, not only within their boundaries, but in the region as a whole. This section analyzes Monterey County's development review and approval process to ascertain its impact on the County's ability to respond to its housing needs.

Governmental constraints may generally be divided into land use and development controls (such as zoning, subdivision, and growth management policies), building codes, fees and other exactions required of developers, site improvement and infrastructure requirements, and development processing and permit approval procedures.

The purpose of regulatory constraints, which are mostly introduced by local government in response to State and federal mandates, is to protect public health and safety. Also, many ordinances and procedures are local in origin and reflect the desired quality of life values and objectives of an area's residents.

Land Use and Development Controls

The General Plan

Land use and development controls determine the amount, type, and location of housing. The primary control is the General Plan. It establishes an overall framework for development and resource conservation in the unincorporated areas of the County principally through inclusion of a land use element. Residential land use is one consideration of the plan; and housing is one of a number of issues the County must address.

The State law divides the required content of a general plan into distinct elements without addressing the interrelationships among the elements and issues. The General Plan, however, must be designed as a balanced, integrated document which is internally consistent.2/ The housing element has a direct relationship to other general plan elements/components. They are discussed briefly below.

2/ State of California, Office of Planning and Research, General Plan Guidelines, September, 1980, p. 126.

Land Use Element. The land use element designates locations and intensities for all types of land uses, including residential development. Allowing for a range of densities and housing types is vital to the provision of housing; most important will be areas designated for medium to high-density single-family dwellings, multi-family dwellings, and manufactured (factory-built) housing. This often conflicts, however, with the equally important agricultural land use designations designed to preserve Monterey County's most valuable resource.

Circulation Element. A critical relationship exists between the location of transportation routes and residential development. Areas served by adequate roads and highways may be more capable of accepting higher density residential development which can result in reduced housing costs.

Scenic Highways Element. In areas of designated scenic corridors, strict guidelines for the extent and design of development must be established. Limitations on the type and location of residential development which may result from such guidelines will have an effect on the cost and availability of housing in scenic corridor areas.

Safety, Seismic Safety, and Noise Element. Various areas in Monterey County are subject to hazards from earthquake faults, unstable soil, wildland fires, flooding, noise, and pesticide drift. Policies regarding such environmental hazards specify that the type and intensity of development shall be controlled in these areas. These policies are intended to protect lives, property, and public health, even though implementing them may result in higher development costs.

Conservation and Open Space Element. The desire to protect the natural environment is an important goal in Monterey County and is reflected in policies regarding physical features and natural resources. These policies discuss issues such as topography and grading, preservation of plant and wildlife habitats, natural vegetation, agricultural uses, and ocean resources. With regard to housing, the most significant aspect of these policies is their effect on reducing the supply of land for development. Areas intended for conservation and open space use must be shown on the land use plan. Projections of the County's ultimate housing stock will take into consideration the assumption that these areas will not be developed with residential uses.

Zoning Regulations

Zoning is the principle means for implementing the General Plan and the Local Coastal Plans. Title 21 (Zoning) of the Monterey County Code and Part 1 of the Coastal Implementation Plan serves as the County's Zoning Ordinance containing maps and a text which

depict the locations and set forth the requirements for each zoning district in the unincorporated area. Title 21 (Zoning) and the Coastal Implementation Plan contain basic zoning districts and various combining districts which modify the basic zoning district requirements to various degrees.

To analyze development potential within zoning categories permitting residential uses, the basic districts were aggregated into broad categories with similar minimum building site requirements. The five major categories are shown in Table 13. Small lot, high-density residential zoning districts "HDR" are found predominantly in and near urban centers with urban facilities and services. Most of the County unincorporated area is zoned for very low residential density "Rural Density Residential", as indicated in Table 13. This is primarily due to sewer regulations, water constraints, and the need to protect natural resources and agriculture.

Under current health regulations, development may not occur in the County's rural areas at densities greater than one unit per acre. In the unsewered areas of the Coastal Zone, development may not occur at densities less than one unit per acre to not less than one unit per two and half acres (North County). Although necessary for resource protection, low densities have a profound impact on the cost of housing because of the tremendous development cost of land as more easily developed lots become scarce. Table 16 in this report shows a sample of the cost of homesites in the unincorporated area. As indicated by Table 16, the price of homesites is a formidable housing constraint.

~~**Manufactured Homes.**--Title 21 (Zoning) and the Coastal Implementation Plan addresses two kinds of mobilehomes--trailers on wheels and "former" mobile homes placed on foundations.--Trailer are restricted to mobile home parks except for those used as farm labor units or guard quarters.--Former mobile homes are permitted with conditions, in any zoning district which allows residential uses.--~~

Subdivision Regulations

Regulations for the design and improvement of subdivisions are contained in Title 19 (Subdivisions) of the Monterey County Code and governed by the State Subdivision Map Act. The purposes of the regulations are to promote public health and safety and "to facilitate the ultimate development of the land in a manner that will be . . . compatible with physical constraints and preservation of natural and scenic attributes." One of the effects of the regulations is to transfer the financial burden of subdivision development from County government to the developer and, ultimately, to future residents of the subdivision. It should be noted that manufactured home subdivisions are treated in Title 21

(Zoning) and the Coastal Implementation Plan like any other conventional subdivision.

Analysis of County Land Use Controls on Affordable Housing

The first column in Table 13a lists a variety of affordable housing types such as manufactured housing, mobile home parks, multifamily housing, farmworker housing, transitional housing, emergency shelters, and senior citizen units. The second column lists those zoning categories which allow each housing type. The third column in Table 13a list the conditions required by the Zoning Ordinance for each of the above affordable housing types. These requirements include special permits, minimum lot sizes, on and off site requirements, and any other special requirements related to the affordable housing type. Zoning requirements were analyzed for their potential to constrain the development of the affordable housing types and the results of this analysis is summarized in the fourth column of Table 13a. Requirements of the Zoning Ordinance as they apply to the above affordable housing types were analyzed in light with the following criteria:

1. Does the Ordinance apply special requirements or procedures to affordable housing types which do not apply to other housing types allowed within the same zoning category ?

2. Are these special requirements or procedures related to the specific affordable housing type allowed ?

3. Is Zoning Ordinance language specific in allowing affordable housing types ?

4. Are the County's Ordinance requirements "reasonable" if re viewed in light of requirements found in the Zoning Ordinances of other comparable rural jurisdictions ?

5. Do the Ordinance's requirements unnecessarily inhibit the development of affordable housing types ?

The analysis indicates that the Zoning Ordinance provides no unreasonable constraints to the development of any of the above affordable housing types. However, while the analysis found that the Ordinance allowed the development of emergency shelters and transitional housing in those zoning categories listed, the Ordinance could be improved to provide specific criteria for the development of such housing types. The section below describes the analysis in more detail.

TABLE 13

MONTEREY COUNTY ZONING CATEGORIES

CATEGORY	BASIC ZONING DISTRICTS	MAJOR PERMITTED USES*
Residential	HDR, MDR, LDR, AND RDR (Coastal and Non-Coastal Zone)	Single family dwellings, duplexes and multiple dwelling units.
Agricultural/Residential	LDR, RDR, AND RC (Coastal and Non-Coastal Zone)	Single family dwellings and agricultural uses
Agricultural	F, PG, AND RG (Coastal: CAP, AC)	Agriculture, accessory buildings including single family dwellings accessory to an agricultural operation on same building site, and farm labor quarters for two or fewer families.
Commercial	LC, HC, AND VO (Coastal: VSC, CGC, MLC, IC, LI, AI)	Retail stores, professional offices, heavy commercial, recreational retail, and craft, trade, operations, and agriculturally related industry.
Open Space	O (Coastal and Non-Coastal Zone)	Crop and tree farming and grazing of horses, cattle, sheep and goats.

*NOTE: Title 21 (Non-Coastal Zoning) and the Coastal Implementation Plan, Part 1 (Coastal Zoning) should be referred to for a comprehensive listing of uses allowed in any given zoning district.

SOURCES: Title 21 (Zoning) of the Monterey County Code; Monterey County Planning and Building Inspection Department, Current Holding Capacity Analysis, March 1981.

Single Family Dwellings/Manufactured Housing

Manufactured Housing and Single Family Dwellings are allowed in all Residential, Commercial, Industrial and Agricultural zoning districts. All manufactured housing is allowed interchangeably with conventional wood frame single family homes. Subdivisions containing densities greater than one unit per acre require curbs, gutters, and sidewalks along interior roadways. Development proposed in existing high density communities which contain no curbs, gutters or sidewalks (Boronda, Castroville, San Lucas) is required to provide curbs, gutters and sidewalks. Proof of sewer and water services must be provided before the project can receive final approval.

The above requirements, when compared to requirements of other allowable housing types and the requirements of other rural jurisdictions, are not unreasonable and do not constrain the development of this type of housing. Requirements such as fees, permit processing times and density constraints can be mitigated by use of the Development Incentive Plan (Program 2.2.1) which provides density bonuses, reduces or waives development fees and accelerates permit processing times for affordable housing.

Single Family Dwellings - Zero Lot Line Development

To provide even more affordable housing units, Monterey County is implementing Program 1.2.1 encouraging the development of zero lot line subdivisions. These subdivisions are allowed in all primary residential zoning districts.

Mobile Home Parks

Mobile home parks are allowed in all primary residential zoning designations. There are no unreasonable governmental regulations to constrain the development of mobile home parks. A use permit is required and the park site must be a minimum five acres in size with gross density of eight units per acre. Within the park, each site must be a minimum of three thousand square feet in size. Units are allowed without permanent foundations. Two parking spaces per home are required and one visitor space is required for every four units developed. Since mobile home parks provide low cost permanent and rental housing, and because mobile home parks are generally "closed communities", the County does not require extensive curb, gutter and sidewalk requirements, and provides for less strict interior road width requirements. Proof of sewer and water services must be provided prior to final project approval. Requirements for mobile home parks are similar to requirements for multifamily housing projects.

Multifamily Housing

Multi-family housing is allowed in Medium Density Residential (MDR) and High Density Residential (HDR) zoning designations. A permit is required to exceed two units per acre for MDR and eight units per acre for HDR zoning districts. The maximum lot coverage allowed is 35% for MDR and 60% for HDR. A minimum lot size of six thousand square feet is required. Parking and setback requirements are reasonable as are the requirements of on/off site improvements to include recreation areas, landscaping, and trash enclosures. Proof of sewer and water services must be provided before final project approval. Most high density multi-family housing designations are found in existing developed areas which contain an overlay district requiring curbs, gutters and sidewalk as part of the development. With the implementation of the "Development Incentives Program", Density bonuses and fee waivers are allowed for applications with 25% or more affordable housing units.

Farmworker Housing

Farmworker housing is allowed in Rural Density Residential (RDR), Low Density Residential (LDR), Farmlands (F), Permanent Grazing (PG), Rural Grazing (RG) and Resource Conservation (RC) zoning districts. All Farmworker housing types including family housing facilities and employee quarters are allowed in these districts with either a Planning Commission (PC) or Zoning Administrator (ZA) use permit. In F, PG, RG and RC up to three wood frame or manufactured units are allowed without a PC/ZA use permit. If the unit is a mobile home on wheels, then a PC use permit is required. The farmworker housing units must be located off prime farmlands except when no other sites are available. As with mobile home park regulations, the County provides flexibility for the requirements of curb, gutter and sidewalks. Provisions must be made for housing maintenance. Facilities must include storage facilities, on-site laundry facilities and recreation facilities. Proof of sewer and water service must be provided before final project approval. Parking requirements on a per bedroom rather than on a per unit may be a potential constraint to project development. The County should address this issue by developing appropriate zoning code changes related to the real needs of the low auto use clientele. Also, the onsite recreational requirements should be better defined.

Emergency Housing/Transitional Housing

Although this type of housing is allowed by inference ("other uses of similar character, density, intensity to those listed in this section") in all primary residential, commercial and industrial districts, this type of housing is not specifically discussed. Lack of specific criteria to develop this type of hous-

ing may lead to standards prepared in an ad-hoc and discontinuous manner. All projects of this type would require a discretionary permit. Hotels and motels could be used as transitional housing under the zoning definition. Regulations related to multifamily units generally apply to projects developed in the form of multiple unit transitional housing. Emergency shelters and Transitional housing projects proposed in Commercial/Industrial districts, would face the same the square footage coverage allowed for commercial/industrial uses. Curb, gutter and sidewalk requirements, as well as sewer and water requirements would depend on which type of development (multi-family/existing structure/ single family type development) was proposed. Parking requirements for group quarters/hotel-motels/boarding house would not reasonably apply to Emergency shelters and Transitional housing projects and could clearly provide for a constraint to housing development. As with farmworker housing, the County should consider the low auto use of the homeless and make appropriate changes to these requirements.

Caretaker Units/Senior Citizen Units

These units are usually a second unit on a lot where only one unit would normally be allowed. Caretaker units are allowed in LDR, RDR and RC residential districts and in commercial and industrial areas for security purposes. Senior Citizen units are allowed in any area that allows single family dwellings(see above). An Administrative use permit is required for development of any unit. Government codes do not constrain but clearly encourage these types of uses Monterey County. Maximum floor area for Caretaker units is one thousand to twelve hundred square feet, and the floor area for Senior Citizen units is seven hundred fifty to eight hundred fifty square feet. One off street parking space must be provided for each unit. Each unit must also be visually consistent and compatible with the area and have sewer/septic facilities, and water onsite.

The Board of Supervisors has appointed a "Blue Ribbon Committee" (Program 2.1.5) to study the development review process and identify specific land use controls which may inhibit the development of affordable housing. The Committee will make recommendations to the Board of Supervisors on ways to improve the development procedures related to affordable housing.

TABLE 13a
LAND USE CONTROLS AND AFFORDABLE HOUSING

TABLE 13 A LAND USE CONTROLS BY HOUSING TYPE

HOUSING TYPES	ZONING DISTRICTS THAT ALLOW HOUSING TYPE USE		ZONING CODE REQUIREMENTS	CONSTRAINT ANALYSIS
	Zone District	Permit/Other Criteria	Zoning Code	(A) Regulations that cause no constraint. (B) Existing Reg.s that remove constraints. (C) Actions needed to remove constraints.
Mobilehomes/ Manufactured Housing	RDR RC MDR	Must obtain a PC Use Permit	1) Require permanent foundations 2) Same development process as S.F. 3) Wood Exterior 4) Not more than 10yrs. elapse from the date of manuf. of unit to install	(A) No reg.s that cause unreasonable constraints. (B) To reduce permit processing, M.H. on permanent foundations do not always require use permits.
	HC LC LI HI HI F PG RG	Must obtain ZA Permit		
Mobilehome Parks	HDR MDR LDR RDR	Must obtain a PC Use Permit	1) Min. lot size 5 acres 2) Shall not exceed 8 units/acre 3) Site not less than 3000 sq. ft. 4) No commercial uses	(A) No reg.s that cause unreasonable constraints.
Multifamily Housing	HDR MDR	Need PC Use Permit - 8+ DU/AC Need PC Use Permit - 2+ DU/AC	1) HDR - 60% Max Lot Cov./ 6000 sq.ft. min. 2) HDR - Single family exceeding 8 units/ac. Duplex not exceeding 8 units/ac. 3) MDR - Res. use not to exceed 2 du/ac Max. Lot Cov. 35%	(A) No reg.s that cause unreasonable constraints.
Farmworker Housing	LDR F RDR PG RG RC	House/Housing facilities need to obtain PC Use Permit Group Quarters need to obtain a ZA Permit	1) Must be located off Productive Farmland	(A) No reg.s that cause unreasonable constraints. (B) Exception to off-farmland reg. provided.
Transitional Emergency Housing	HDR MDR LDR RDR LC HC LI HI RC	Transitional/Emergency Housing constitute "other uses of similar character, density, intensity to those (uses) listed in this zoning district". PC Use Permit must be obtained for all dist.	1) Single family dwellings exceeding 3 du/ac need PC permit 2) Duplexes exceeding 8 du/ac need PC perm 3) Hotels/Motels with ZA Permit	(C) Zoning Ordinance needs to be broadened to include specific development criteria for emergency/transitional housing.
Senior Cit./ Caretaker Unit Housing	Sen. Cit. Allowed In Dist. that Allows Res. Use	Must obtain ZA Permit.	1) Visually Consistent and compatable with area. 2) Not more than 700 sq. ft. attached/ 850 sq. ft. detached.	(A) No reg.s that cause unreasonable constraints.
	Care Take Allowed in LDR RDR RC LC HC LI HI	Must obtain ZA Permit.	1) Occupant must be employed onsite. 2) Not more than 1000 sq.ft. on lots 10ac./< Not more than 1200 sq.ft on lots > 10 ac.	SOURCES: 1) Monterey County Zoning Ord. 92' 2) Monterey County Subdivision Ord. '88 3) Conversations with Zoning Administrator - D. Ellis 9/18/92

HOUSING TYPES	DEVELOPMENT REQUIREMENTS	CONSTRAINT ANALYSIS	DEVELOPMENT REQUIREMENTS	CONSTRAINT ANALYSIS
	On - Off Site Requirements	(A) Regulations that are not constraints. (B) Existing Reg.s that remove constraints. (C) Actions needed to mitigate constaints.	Setbacks Front Side Rear	(A) Regulations that are not constraints. (B) Existing Reg.s that remove constraints. (C) Actions needed to mitigate constaints.
Mobilehomes/ Manufactured Housing	(1) All units require sewer/septic/water service. (2) Curb/Gutter/Sidewalks req. in Subdiv. and in "Z" overlay zoning dist.s (3) Underground utilites required.	(A) Most reg.s do not cause unreasonable constraints. (B) Underground utility requirements can be waived for low/moderate income units.	RC 30 20 20 MDR 20 5 20 LDR 30 20 20 RDR 30 20 20 Max. Height 30'	(A) No reg.s that cause unreasonable constraints.
Mobilehome Parks	(1) All units require sewer/water service. (2) Underground utilities required. (3) 10% of area dedicated to recreation. (4) No curb/gut req.s	(A) Reg.s do not cause unreasonable Constraints.	30 20 20 Max. Height 30'	(A) No reg.s that cause unreasonable constraints.
Multifamily Housing	(1) 5+ uts - shall have rec. area. (2) 2+ uts - shall 10% area landscaped. (3) 5+ uts shall have trash enclosure. (4) All units req. sewer and water service. (5) Curb/gutter/sidewalk as req. in "Z" dist.	(A) Reg.s do not cause unreasonable constraints.	MDR 20 5 20 MDR 20 5 .10 Max. Height 30'	(A) No reg.s that cause unreasonable constraints.
Farmworker Housing	(1) Entity for housing maintenance. (2) Onsite laundry facilities. (3) Rec. facilities for 3+ units. (4) All units req. sewer and water service. (5) No curb/gut req.s	(A) Reg.s do not cause unreasonable constraints.	See Multi-fam. for MDR/HDR Com. use 35'H/Setback depends on surround use./50% max. cov. Ind. 35'H/Setback depends on surrounding use.	(A) No reg.s that cause unreasonable constraints.
Transitional Emergency Housing	Depends on structure type - needs to conform to either multifam/M.H.Parks/Sing.Fam. req.s	(C) Zoning/Subdiv.Ord.s need to be broadened to address needs of this type housing.	See Farmworker for Ind./Comm. See Multi-Fam use in multi-fam See Single Fam/Mobile Home.	(A) No reg.s that cause unreasonable constraints.
Senior Cit./ Caretaker Unit Housing	(1) Sewer and Water facilities onsite. (2) No curb/gutter req.s	(A) Reg.s do not cause unreasonable constraints.	Depends on zoning designation. Must conform to proposed dist.	(A) No reg.s that cause unreasonable constraints.

HOUSING TYPES	DEVELOPMENT REQUIREMENTS	CONSTRAINT ANALYSIS	PROCESSING REQUIREMENTS	CONSTRAINT ANALYSIS
	Parking Requirements	(A) Regulations that are not constraints. (B) Existing Reg.s that remove constraints. (C) Actions needed to mitigate constaints.	Fees and Processing Times Note: Building permits and subdiv/use permits can be concurrently processed.	(A) Regulations that are not constraints. (B) Existing Reg.s that remove constraints. (C) Actions needed to mitigate constaints.
Mobilehomes/ Manufactured Housing	(1) Single Family Detached 2 spc./unit	(A) No reg.s that cause unreasonable constraints.	(1) Use Permit UP 60-90 days Major UP $1917-2045/ Minor UP $786-956/Coastal + $716 (2) Bldg. Permit 30 - 60 days Bldg. Fees $1/sq.ft.	(A) No reg.s that cause unreasonable constraints.
Mobilehome Parks	(1) M.H. Parks - 2 spc./unit. (2) 1 Guest spc./4 units	(A) No reg.s that cause unreasonable constraints.	(1) Tentative Map 90-120 days w/neg.dec.- 180-360 days w/EIR $5590 tent. map/ +$716 Coastal (2) Bldg. Setup Fee $75/unit	(A) No reg.s that cause unreasonable constraints.
Multifamily Housing	(1) Duplex - 2spc./unit (2) Triplex - 2 spc./unit (3) Apartments - 1 spc./unit Guest - 1 spc./4 units (4) Condos- 1.5 spc/unit -guest 1spc./4 unit	(A) No reg.s that cause unreasonable constraints.	(1) HDR 8+uts/MDR 2+uts use permit req. - 60-90 days; Maj. UP $1917-2045/ Minor $786-956 (2) Bldg. Permit 30-60 days/ Bldg. fees $1/sq. ft.	(A) No reg.s that cause unreasonable constraints.
Farmworker Housing	(1) Boarding House - 1 spc./bedrm (2) Organization House - 1 spc./100 sq.ft.	(A) Most reg.s do no cause unreasonable constraints. (C) Reg.s need to be redefined to address needs of user.	(1) Use Permit 60 - 90 days Major UP $1917-2045/ Minor UP $786-916 /Coastal + $716 (2) Bldg. Permit 30 - 60 days Bldg. Fees $1/ sq.ft.	(A) No reg.s that cause unreasonable constraints.
Transitional Emergency Housing	(1) One useable/accessable spc./unit.	(A) Most reg.s do no cause unreasonable constraints. (C) Reg.s need to be redefined to address needs of user.	(1) Use Permit 60 - 90 days Major UP $1917-2045/ Minor UP $786-916 /Coastal + $716 (2) Bldg. Permit 30 - 60 days Bldg. Fees $1/ sq.ft.	(A) No reg.s that cause unreasonable constraints.
Senior Cit./ Caretaker Unit Housing	(1) 1 spc. for each unit - must be accessable/useable.	(A) No reg.s that cause unreasonable constraints.	(1) Use Permit 60 - 90 days Major UP $1917-2045/ Minor UP $786-916 /Coastal + $716 (2) Bldg. Permit 30 - 60 days	(A) No reg.s that cause unreasonable constraints.

Development Potential/Suitable Sites

This Element focuses on suitable sites on a project-by-project basis. Table 19 list all projects in the County are consistent with the current land use designations and which do not require a General Plan Amendment for approval.

In addition, this Element projects the number of suitable sites for all income levels based on buildout of vacant land in Areas of Development Concentration, Development Incentives Zone, in projects currently reviewed by the Planning and Building Inspection which are consistent with General Plan densities, housing units to be developed by non-profit corporations, housing in cities with which we have negotiated "fair share" agreements, and housing units in Fort Ord. Table 19 shows the unincorporated area has about 7,600 building sites which have a high potential of being developed within the timeframe of this Element. Of the above number, Table 19 shows about 1,480 sites for very low income households, 1200 sites for lower income households, 1,400 sites for moderate income households and 3,700 sites for above moderate income households.

Growth Management Policies

Monterey County has an adopted growth management policy which states in part that growth shall occur in or adjacent to urban areas or in areas specified for future growth which provide urban services. There is no countywide growth rate limit, building limit, phasing system, or population "cap". The Carmel Valley Master Plan is the County's only area plan which has a building quota and annual allocation system to meet documented resource constraints.

Fees and Other Requirements

Table 14 reflects recently adopted (September 9, 1991) fees for development applications in Monterey County. In previous years the County's processing fees were nominal; now the fees recover processing costs. For example, the new fees are estimated to provide revenues for approximately 55% of the Planning Department's budget.

TABLE 14

DEVELOPMENT FEES

USE PERMITS	VARIANCES	REZONINGS	GENERAL PLAN AMENDMENTS	SUBDIVISION TRACT MAPS	PARCEL MAPS	EIRs (AVERAGE COST)	NEGATIVE DECLARATIONS (AVERAGE COST)	APPEALS
$786/$956 (2)	$786	$1,717	$1953/$2083 (1)	$2707/3393 Minor (4)(6) $1366/$1186 Preliminary (5)(6) $4330/$4150 +$127/lot for Tentative Map (5)(6) $5570/$5590 +$141/lot for Vesting Tentative Map (5)(6)	$1,065 +100/lot	$236 Initial Study $8000 - $30,000 Avg. Consultant Fee +30% of Fee for Staff costs. +15% of Fee for Contigency Fund	$236	$68
MAJOR USE PERMITS $1917/$2045 (2)(3)								
COASTAL DEVELOPMENT PERMITS $716								
MAJOR COASTAL DEVELOPMENT PERMITS $1847 (3)								

(1) Fees include County Planning, Surveyor, and Flood Control District
(2) Those located in flood plains only
(3) A major application is a residential project requiring environmental review and determination
(4) Minor/Vesting Minor Subdivisions
(5) Sewer by septic and water by water system or individual wells
(6) Improvement plans are an additional $160. The charge for improvement plan check, based on area of pavement is $300.00 plus ($60.00 per 1,000 square feet for the first 10,000 square feet), plus ($40.00 per 1,000 square feet for 10,000 square feet).

SOURCE: Monterey County Planning and Building Inspection Department, Planning and Subdivision Fee Schedule, September 9, 1991

On-Site and Off-Site Improvements

The County does, however, have a policy of developer-provided improvements in new subdivisions. The subdivision ordinance delineates specific design and improvement standards which developers must meet before a subdivision map is approved and residential construction begun. Mandatory improvements include proof of septic system feasibility or connection to an existing sewage treatment system, proof of water availability or service, provision of streets, walkways, curbs, gutters, sidewalks, lighting, landscaping, and contribution of land or a fee for provision of parks and recreational facilities proportionate to the size of the site. The entire cost of public improvements is thus carried by the developer who passes it on to the eventual buyers or tenants. This cost is reflected in higher prices and rents for the consumer.

Development and Processing and Permit Procedures

Developers often cite local government "red tape" and delays as reasons for the current high cost of housing. It should be noted that certain steps in the development process are required by State law rather than local regulation:

1) amendment of the general plan when proposed development is inconsistent with an adopted general plan;

2) the Subdivision Map Act requires the filing of tentative and final subdivision maps;

3) adoption and enforcement of building codes;

4) compliance with the California Environmental Quality Act (CEQA); under this law, the County must assess the environmental effect of a project; the County must then determine whether an environmental impact report, a negative declaration with mitigation measures, or a negative declaration is required;

5) CEQA also establishes the amount of time required for public review and posting of environmental documentation;

6) the California Coastal Act of 1976 requires approval of projects in the coastal zone by the State certified local coastal program.

The Permit Streamlining Act, also known as AB 884, requires that local jurisdictions process any discretionary action within six months or one year from submittal. AB 884, therefore, has forced local government to meet various interim deadlines from initial application review to public hearing so that the overall one-year

limitation is not exceeded.

Both State and local requirements involve a certain cost to developers (due to processing time) which is reflected in higher housing prices. Even with AB 884's stringent mandate, development application processing has basic processing time requirements as a result of the County's obligation to adequately evaluate projects. Virtually all development projects require some type of local approval, whether they are general plan amendments, local coastal plan amendments, rezonings, use permits, variances, or subdivisions. Most projects must also undergo the environmental review process. The Planning and Building Inspection Department takes less than six months to process a project eligible for a negative declaration and one year to process a project which requires an Environmental Impact Report.

With regard to the possibility of administrative approval of certain development projects, State law requires that environmental determinations and most project decisions be made at public hearings. Subdivisions, rezonings, use permits, amendments to the zoning ordinance and general plan amendments must be decided at public hearing.

State law further requires that project decisions be made by a jurisdiction's legislative body; in Monterey County this body is the Board of Supervisors. The Board can delegate authority via ordinance to other review bodies such as the Planning Commission and Zoning Administrator. Currently, the Board acts on land divisions relating to agricultural preserve contracts, standard subdivisions, rezonings, zoning ordinance amendments and general plan amendments. The Minor Subdivision Committee makes decisions regarding minor subdivisions under 160 acres or the creation of four or less lots; the Zoning Administrator decides use permits (Coastal permits), zoning permits, and variances; and the Planning Commission makes decisions on minor subdivisions over 160 acres or the creation of five or more lots, use and Coastal Development permits.

Several permits are required from other County departments for development projects in addition to zoning, subdivision, and environmental approvals. The Planning and Building Inspection Department sends out development applications to other County departments concurrently with its own review. Building and grading permits are obtained from the Building Inspection Division of the Planning and Building Inspection Department. The Division uses the State Uniform Building Code of 1992; there are no additional local codes in effect in Monterey County. The Department expedites both building and grading permits in four months unless an environmental assessment or a coastal permit is needed pursuant to the California Coastal Act; coastal permits add one to two months to processing. Finally, proof of water

availability and a septic/sewer permit is required before the building permit is issued; approval from the Environmental Health Division is obtained concurrently with the plan check.

The County Environmental Health Division issues septic system and well permits. For projects in areas of the County where the soil has been tested for septic use and property is served by a mutual water company, these permits are processed within a few days. When a well must be drilled, the site is inspected and chemical tests are done to ensure that water quality meets State standards. Soil percolation tests for septic suitability are required in untested, unproved areas. If the test fails, the permit is denied. However, in large projects, lots may be combined in order to mitigate marginal soil conditions. Depending on staff availability, well and septic permits take approximately two weeks to one month to process.

Figure 6 indicates the approximate time requirements needed for processing of various development applications. It should be noted that, if a project requires an EIR, the time for EIR preparation and adoption must be added to the processing time. Further, the time spans indicated do not include problems or controversial issues that may arise with some projects. A standard subdivision project can theoretically be approved within five months. However, most standard subdivisions require an EIR, and many require rezoning. In addition, a complex project may require detailed review by County agencies, the Planning Commission, and Board of Supervisors.

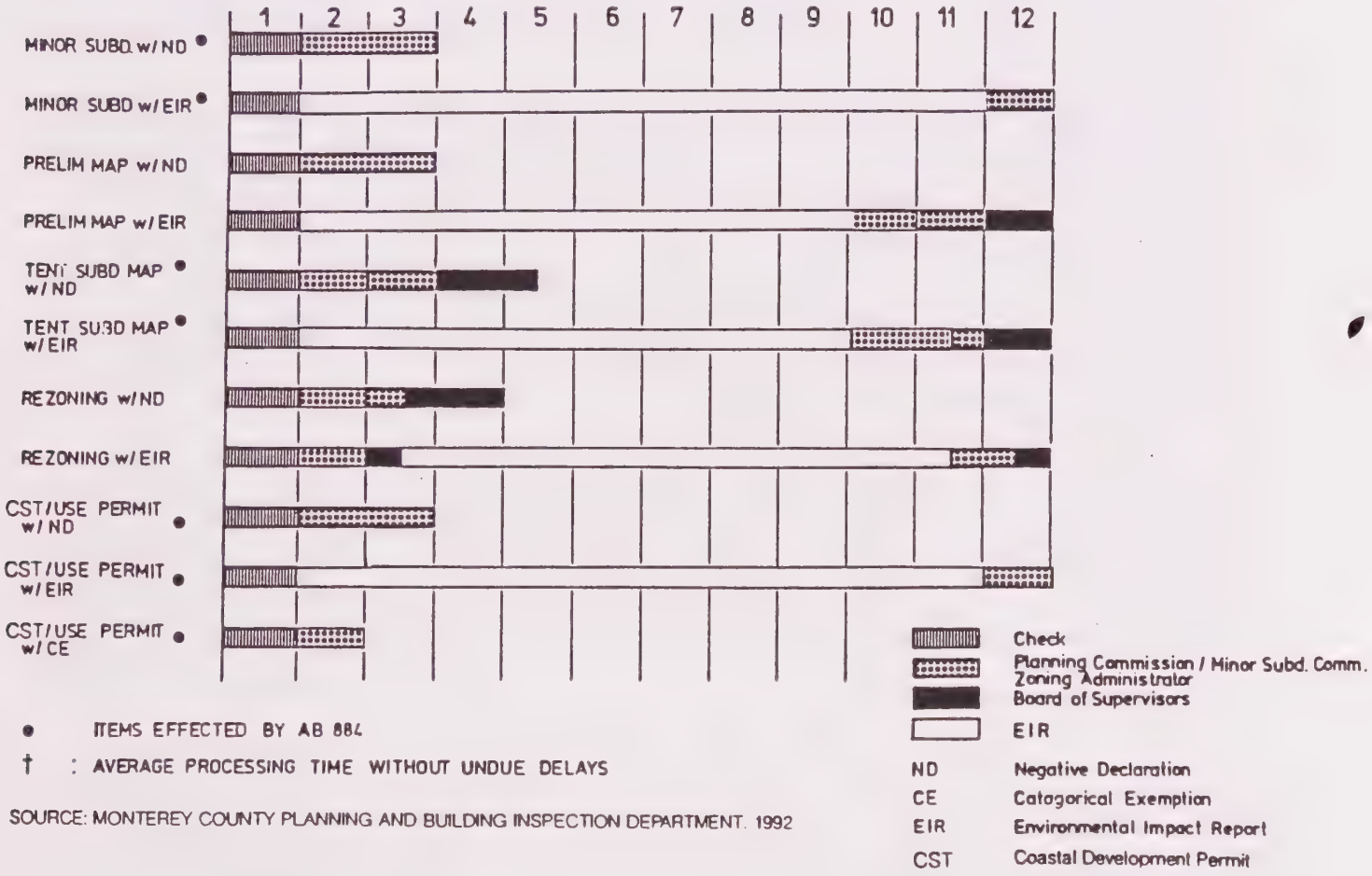
Projects are also reviewed and researched by other County departments such as Public Works, Water Resources Agency, and other appropriate departments to determine the impact on and availability of public services as well as a proposal's effect on natural resources. For many rural areas of the County, basic planning data are not available. Project delays are often caused by the need for additional studies on water, septic system capacity, road volumes, hazards, or schools in order to adequately assess the effects of a project.

Methods for Improving Development Processing and Permit Procedures

Monterey County has improved development processing and efficiency. The processing system has been improved to simplify, control and speed the flow of paper, technical reviews, and the public hearing process. The Planning and Building Inspection Department has made much progress relative to this program. In the past it took two days to process an application, now it takes half a day. And now projects which used to take 90-120 days before being brought to public hearing are now typically done within 60-90 days. The Department has adopted standards of

FIGURE 6

NUMBER OF MONTHS FOR PROCESSING DEVELOPMENT APPLICATIONS IN MONTEREY COUNTY †



● ITEMS EFFECTED BY AB 884

† : AVERAGE PROCESSING TIME WITHOUT UNDUE DELAYS

SOURCE: MONTEREY COUNTY PLANNING AND BUILDING INSPECTION DEPARTMENT. 1992

processing for all development applications. To date approximately 66% of the projects go to a public hearing within 90 days from the day the application is received.

The Department has reorganized project review by geographic teams in which each team member is an expert on that planning area. The Department arranges appointments with each applicant to assist them in completing applications and to ensure that all the information on the application is complete. The Department holds weekly interdepartmental review meetings with other County Departments to receive their comments on applications and the Department will initiates "pre-development conferences" at the developer's request to outline requirements and anticipate problems. Finally, the Department has prepared information brochures on the development process, and prepared a complete fee schedule covering fees from all approval agencies.

The County has organized a centralized, computerized project file tracking system. In the past, the Planning and Building Inspection Department arranged its available information in several independently operated manual systems. Among these systems are: minor subdivisions, standard subdivisions, environmental information, Zoning Administrator files, and Planning Commission files. The Planning and Building Inspection Department staff, because of this decentralization, frequently must go from one file to the next in order to gather all available information about a single piece of land.

A centralized, automated system has greatly reduced search time for the staff and waiting time for the public. The streamlining of the review process was done by placing all pertinent project information on a computerized database. With all projects in the retrieval system, staff can set up Planning Commission, Zoning Administrator, and Subdivision Committee files for the public hearing process, forecast the timing of required legal notices and coordinate clerical support. Projects can be reviewed for content, procedure, and applicability of staff recommendations. As a result, staff and the public can instantly determine the exact status of the file and project at any stage in the review process.

Significant benefits now accrue to management, staff, and the public. For example, by using compiled data from the tracking system, management can measure Department project review time against set standards and report to the Board of Supervisors on the success in meeting those standards. Staff can now review their workload relative to the workload of other planners and redistribute the total workload more evenly. By reducing processing time, developers realize immense savings in "holding costs"; the interest cost of financing development over time. It is estimated that reduced processing time has resulted in saving

the developer about 6 months of holding costs.

Additional measures could be taken to improve the development review system. For example, a recent County report on the planning process recommended that a computerized data storage and retrieval system for land use and environmental data be established to:

1) Reduce processing time for permits.

2) Increase comprehensiveness and reduce survey time for compiling data for Master Plans and other studies.

3) Reduce costs, time required, and, in some cases, the need for Environmental Impact Reports.

4) Reduce overall costs of the planning process, once a system is established.

The environmental impact review process is another area which can be greatly simplified and streamlined. Procedural delays associated with EIR preparation can be minimized by the preparation of a master environmental assessment for each of the planning areas and within Development Incentive Zones. A master assessment prepared according to CEQA guidelines, would address general environmental issues. For specific projects, "focused" EIRs should be used and are allowed by CEQA. Only those issues pertinent to the project would be addressed. An environmental data bank would greatly reduce the environmental review preparation time for individual projects.

Procedural delays associated with the EIR review process can also be reduced. Currently, EIRs are certified by the decision-making body, Subdivision Committee, Zoning Administrator, Planning Commission, or Board of Supervisors--which reviews a project. An Environmental Review Officer could be designated who would preside over environmental hearings, make all environmental determinations and be responsible for EIR certification.

Many delays between project approval and actual construction involve the location and adequacy of sewage disposal and water availability. These necessary services are often the subject of environmental impact reports. To reduce the time spent analyzing the sewage and water issues after an application has been filed, the Planning and Building Inspection Department should require that commitment for sewer and water service from an established serving agency, <u>or</u> clearance from Environmental Health for disposal systems and well water adequacy be accomplished prior to filing an application and that proof of these commitments must be filed at the time of application.

NON GOVERNMENTAL CONSTRAINTS

The following section analyzes the non-governmental constraints to affordable housing development. It discusses primarily environmental constraints because the character of affordable housing development in Monterey County's unincorporated area is totally different from development in the County's incorporated cities due to the constraints presented by the natural environment. Few developers in cities face the depth and breadth of environmental constraints that face housing developers in the unincorporated area. For example, the County must often prohibit or restrict development in areas impacted by flood, wildland fire, seismic hazards, landslides, and water availability or contamination. Additionally, environmentally sensitive areas such as endangered wildlife habitats, estuaries, sloughs, and visual corridors are also subject to development limitations; land characteristics such as steep slopes often render property economically unfeasible or too dangerous for development. Finally, productive agricultural land is considered a serious environmental and economic resource and its protection limits the amount of available land for homes.

The potential of the housing market is affected by environmental constraints and those governmental regulations intended to address them. And, in many ways, environmental, governmental, and market constraints are very closely related and often overlap. For example, environmental constraints must be addressed by governmental regulations and, unlike in cities where constraints to density increases are often mitigated by a highly developed infrastructure network, the County must often require studies which analyze resource availability and the impact of development on those resources. Then, the County must make findings and impose conditions which often reduce densities to mitigate environmental impacts and reduce dangers to health and safety. Ultimately, even though the costs of actual construction may be the same as that in cities, the price of housing increases because the scarcity of available and easily developed land causes land prices and related development costs to increase.

In the next section, constraints are documented for three large areas of the County, namely, Del Monte Forest, Carmel Valley, North County and the Rancho San Juan Area of Development Concentration (ADC) near Salinas. Although there are many localized constraint areas throughout the County, development in these areas is impacted by regional problems such as traffic and water. It should be noted that, taken as a whole, these areas contain about 90% of the County's population and housing units.

ENVIRONMENTAL RESOURCE CONSTRAINTS

Del Monte Forest, Carmel Highlands, Carmel Valley

Water

The lack of available water is a primary resource constraint in this area. The Environmental Impact Report (1989), prepared for the Monterey Peninsula Water Management District on the Water Allocation Alternatives, explored a number of supply options and distribution alternatives. In the unincorporated area, the District includes Del Monte Forest, Carmel Highlands and the Carmel Valley. The unincorporated area within the District contains a total of 8,190 single family and 1,955 multi-family units for a total of 10,145 units (p.III-47). Using existing zoning and general plan designations the EIR reported a future potential buildout of 2,717 single family and 279 multi-family units in the unincorporated area (p.V-15) for a total of 2,996 units. However, the Report identified "Supply Option V ... as the ... `Least Environmentally Damaging Production Level' (p. 3) and stated that "Distribution Alternative IV" was the "proposed alternative" (p.IV-155). Under the above supply option and distribution alternative the water allocation to the unincorporated area would only be able to support an additional 493 single family and 51 multi-family units or a total of 544 additional units (Table IV-40, p.IV-156) - about 18% of the potential future buildout.

The EIR stated that "constraints on the development of new housing could be interpreted as a negative impact on the housing market because of the effect that such constraints might have on the affordability of housing." (p. 21) and that the allocation program will "affect existing housing, particularly in situations where the housing market is constrained by lack of available water for new housing growth." (P. IV-155)

Traffic

Carmel Valley

The County Public Works Department commissioned a study entitled "Environmental Impact Report: Carmel Valley Road Improvement Plan." (1990) The EIR studied the limitations on the road network in the Valley and surrounding areas and stated that the main roads, Carmel Valley Road, Highway 1, and Laureles Grade Road, are all at Level of Service D or worse (p.5A-8-9). The EIR evaluates and recommends mitigation measures and improvements which would foster the allowable land use buildout of the Carmel Valley Master plan and that "if adopted, these measures would reduce impacts to a level of insignificance."(p. 5A-19) The EIR estimates that the total cost of these improvements would be "26.3 million dollars, excluding the cost of the Hatton Canyon

Freeway." (p.5A-20) If the County were to impose a fee to pay for its share of the proposed improvements the fee is estimated to be between $10,000-$20,000 per lot. (p.5B-3 and 5).

If and when the traffic improvements are made the EIR projected that "The actual number of market rate units to be created over the planning period is projected to be 435, instead of the County Plan's assumption of 738. In addition 303, inclusionary units are projected for seniors, low income households and worker housing. Phasing of 435 lots is projected at 60 in 1990, 38 lots per year between 1991 and 1995, a gradual decrease down to 15 lots per year in 2001 and 2002, and no new lots from then on." (p. 5B-5) It should be noted that the Carmel Valley Master Plan exempts low income housing from the traffic constraints, therefore it assumes that units built beyond the 435 lot limitation will be affordable housing units built to accommodate the CVMP buildout of 738 lots.

North County/Prunedale

In 1990, the Monterey County Board of Supervisors contracted with the Economic Development Corporation of Monterey to prepare a revitalization strategy for unincorporated communities within Monterey County. The County secured $100,000 in State and federal grant funds to finance the study. The Economic Development Coporation prepared an "Economic Revitalization Plan(s)" (1991, By Richard E. Kuhn, Executive Director) for various areas of the County including North County. The report discussed the potential for economic development by analyzing constraints to growth.

Water

The EDC report states that "The third most important constraint is the availability of water. Overdrafting the lower Salinas Valley Aquifer by area farmers has allowed seawater intrusion to occur in many North County areas. The seawater intrusion problem has negatively impacted the potable water supplies of many North County residents." (p.25) In addition the report states "Prunedale has a growing problem with nitrate contamination of area wells." and that "Many areas have nothing more than small pockets of water available. Some residents are forced to drill new wells every few years after they have depleted water within a particular rock strata pocket. Thus, continued rapid housing development cannot continue in some Prunedale neighborhoods without jeopardizing the levels of well water." (p.26)

Traffic

The EDC report cites "transportation access" (p.24) as the most critical constraint to growth in North County. It goes further to state that "North Monterey County is the only area in the County which is characterized by a preponderance of major highways and

roads with levels of service rated as `F'." (p.25)

Sloughs and Wetlands

The EDC report cites the second most critical constraint to development on North County as "the large amount of acreage devoted to environmentally sensitive wetlands and dunes." And that "major portions of the Slough area have been purchased (by environmental land trusts) and placed forever outside the realm of possible residential, commercial or industrial development." (p.25)

Rancho San Juan Area Of Development Concentration

The Greater Salinas Area Plan intended the Rancho San Juan Area of Development Concentration (ADC) to "provide for the county's long-term (15-20 years) need for residential and economic growth. It is anticipated the ADC will accept about 5,500 new residences..." (p. 86) To assure the development of affordable housing, the Plan designated the majority - 1310 acres or 97% - of the ADC's residential land use at "High Density-5.1 units per acre."

Water

In 1991 the County commissioned study of the feasibility of developing the ADC was completed and accepted by the Board of Supervisors. The report known as the "Rancho San Juan Area of Development Concentration Feasibility Study" (1991- Jones and Stokes Associates Inc.) performed an analysis of constraints to implementing the ADC land use development policies. The constraints analysis stated that "Groundwater is the primary source of water supply for Monterey County and, as such, seawater has intruded thousands of acres in the northern part of the valley. Groundwater extractions in the ADC total over 3,000 af per year for agricultural uses. Urban development in the ADC should be restricted to use substantially less water than is currently demanded to contribute to a basinwide reduction in the rate of seawater intrusion." The report summarized that "With Monterey County facing serious potable water supply problems, water service emerged as the major limiting factor to development of the ADC and expansion areas." (p. 2-2)

The report also analyzed development alternatives based on constraints and concluded, "Because of water resources constraints Alternative 2 (The preferred alternative) proposes 2380 units." (Chapt. 2 p.2-1) This figure represents only 43% of the units anticipated by the Greater Salinas Area Plan.

Traffic

With regard to traffic the report states "Traffic is a constraint to development of the ADC. Current traffic projections indicate poor levels of service in many of the affected roadways, especially those in and near Salinas. Future traffic projections indicate that regional growth will cause additional traffic congestion on many roadway segments and intersections. Development of the ADC will generate additional traffic and the ADC project shall contribute their fair share toward funding necessary local roadway improvements." (p.2-2)

MARKET CONSTRAINTS

In planning for the provision of housing, constraints to housing development presented by the existing housing market must be recognized. Many of these constraints cannot be overcome by local government particularly those related to the condition of the national economy, but others can be addressed.

A number of costs figure into the cost of developing housing. They include the cost of land, site improvements such as grading, and provision of utilities, streets and sidewalks, and construction. Most of these costs cannot be lessened by County involvement. In two areas, the County could provide some relief to help provide low and moderate income housing - land cost and infrastructure provision. The County could monitor and take advantage of State and federal grants which would allow the purchase of land, and then write down the cost of it to developers at some time in the future. In this case, the County would want to ensure the continuing affordability of the housing through deed restrictions or through promoting non-profit housing development corporations so that the County's investment would provide long-term benefits to those intended. Local governments can also provide infrastructure to cut costs or issue assessment bonds for street improvements. These bonds provide lower interest financing than the developer would have been able to obtain if he or she had been required to install these improvements.

Availability of Financing

Other increased costs of housing include financing, marketing, profit to the developer or homeowner, and property taxes. Interest rates reflect directly on the cost of housing. The difference between a 8.5% average interest rate and a 13% interest rate can be the difference between an adequate supply of affordable housing and a housing supply out of the price range of many residents. Interest rates have dropped, though it remains to be seen when they will begin to rise again.

Marketing adds to the cost of homes. Marketing can add 4-10% to the cost of housing. Real estate fees range from 3-6%. Enticing developers to decrease marketing budgets would not be successful unless an adequate local market and ready affordable financing could be demonstrated, decreasing the need for expensive regional promotion.

Housing Units Authorized

Housing production has fluctuated over the last decade. On the whole, production has not matched past levels and supply has not kept up with demands. Table 15 shows how many building permits were issued annually for housing unit construction in the unincorporated area between 1980 and 1990. The average annual number of permits during this period was 525 permits. It should be noted that the annual number of housing units authorized in the unincorporated area over the past five years falls far below the 5,692 units (759 units per year) of new construction needed (Table 19 New Construction Need) to maintain an adequate housing supply. Although 1989 and 1990 were banner years for the number of permits issued for new housing unit construction, building permits issued for 1991 dropped to 341 units, indicating a downward trend. It appears that the continued reduction of housing starts in relation to the housing need may keep existing housing prices high.

TABLE 15

UNITS BUILT IN THE UNINCORPORATED AREA

YEAR	S.F.D.	M.H.	S.F.A.	Dup.	3-4	5+	Total
1980	516	18	0	30	3	16	583
1981	323	14	0	4	14	17	372
1982	279	9	0	6	4	0	298
1983	350	20	46	56	0	0	472
1984	413	23	0	6	0	0	442
1985	447	27	15	0	0	6	495
1986	380	26	9	0	0	59	474
1987	470	21	0	0	0	7	498
1988	502	25	24	0	0	56	607
1989	653	26	60	0	0	15	754
1990	535	25	0	0	0	224	784
1991	289	26	0	0	0	53	368
Total	5157	260	154	102	21	453	6147
PERCENT:	83.9%	4.2%	2.5%	1.7%	0.3%	7.4%	100%
Avg/Yr	430	22	13	9	2	38	512

Source: Planning and Building Inspection Department

Price of Land

The major market constraint to affordable housing in the unincorporated area is the price of homesites. Homesites, defined by minimum lot sizes, are more of a market constraint because septic tank regulations prevent higher densities and the County, unlike cities, is not empowered to directly assess property owners for sewage treatment facilities. Table 16 shows the results of a Planning and Building Inspection Department survey of real estate appraisers to determine the current price levels of developed homesites in the unincorporated area of the County. As shown by Table 16, the average price for homesites is about $150,000 per lot with an average lot size which ranges from 1-2 1/2 acres.

Some of the lowest priced lots are found in the southern part of the County in San Lucas, Lockwood and Pine Canyon near King City. The highest priced lots are found in Carmel Valley where lots for single family homes cost $250,000 per homesite. Homesites in Big Sur cost about $400,000 per site making this area the most expensive in the County for homesites.

TABLE 16

Price of Homesites in Selected Areas of Monterey County

Area	Price of Land	
Carmel Valley	$200,000	per detached unit
Big Sur	$400,000	per homesite
North County	$150,000	per homesite
Laureles Grade Road Area	$275,000	per acre
Corral De Tierra	$275,000	per acre
Pine Canyon (King City)	$100,000	per 2 1/2 acres
Lockwood	$ 80,000	per 10 acres
San Lucas	$ 35,000	per 50' x 125' lot

Source: Planning and Building Inspection Department Survey of Rea
Estate Appraisers, 1991

Median Home Value

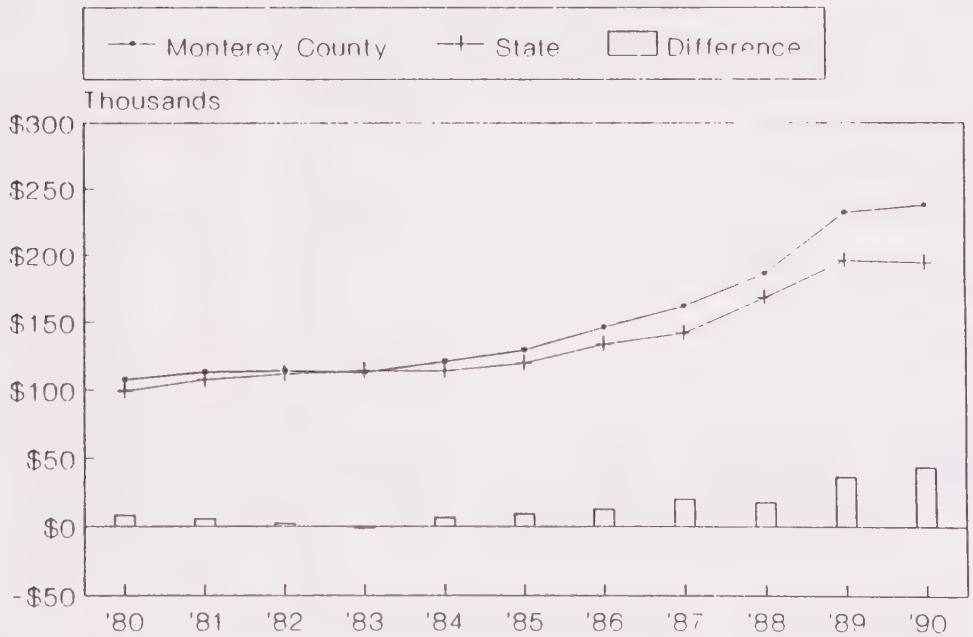
Comparisons of median home values can help locate those areas where housing prices were highest and lowest as indicated by housing values. According to the 1990 U.S. Census the median home value in the County as a whole was $198,200, the median home value in the unincorporated area was $285,379, about 44% higher and, by comparison, the State had a median home value of $195,500.

Median Contract Rent

Median contract rent refers to the agreed rent payment between landlord and tenant. Median rent levels may or may not include furnishings, utilities or other services which may be provided by the landlord. According to the 1990 U.S. Census, the County's median monthly contract rent was $566. The unincorporated areas' median monthly contract rent was $522. By comparison the State's median monthly contract rent was $561. Unlike housing values, rent levels in the County seem to be similar to those of the State as a whole. The unincorporated area's rent level was significantly lower than that of the State and the County as a whole.

FIGURE 7

Changes In Median Home Sales Price
Monterey County/State (1980-1990)



Source: Calif. Assoc. Of Realtors

Rise in Median Sales Price of Existing Homes

The price of homes in Monterey County has risen faster than the statewide average. Figure 7 compares the rise in the median sales price of existing homes from 1980 to 1990, between Monterey County and the State as indicated by data from the California Association of Realtors. As shown for both the County and the State, the median home sales price in 1980 between the two jurisdiction was very close and in 1983 prices between jurisdictions were the same. The 1984 median price of an existing single family home in Monterey County was $112,856 and the State's was $111,768, slightly lower. However the trend since 1984 indicates that the County's housing prices are climbing at a faster rate than those in the State.

Development Costs

A survey of County builders yielded an estimate of 1991 development cost. Most builders in the unincorporated area build custom homes to suit. Thus, the costs shown in Table 17 reflects the desires of the client. Homes on septic tanks have higher development cost mainly because land costs and cost for sewage disposal are higher. Site preparation in hilly areas tend to raise costs and custom homes have a higher per square foot costs.

Within sewered areas, land cost are still comparatively high. The survey assumed a 1,600 square foot home in both areas, but in sewered areas homes will likely be smaller. Building costs were lower because homes are likely to have a "tract" look in urbanized areas.

TABLE 17

*AVERAGE HOUSING DEVELOPMENT COSTS

	Septic Tank		Sewered	
Land	(1 acre)	$150,000	(7,500 sq. ft.)	$50,000
Site Prep./Foundation		$6,000		$3,500
Structure	*($60 sq. ft.)	$96,000	*(60 sq. ft.)	$96,000
Driveway	($1.60 sq. ft.)	$1,520	($1.60 sq. ft.)	$1,520
Utility Hookup	(Septic Tank)	$5,000	(Regional Sewer)	$2,000
Financing Fees	(2%)	$2,848	(2%)	$2,310
Insurance/Marketing	(1%)	$1,155	(1%)	$1,530
Project Management	(10%)	$14,240	(10%)	$15,302
Contingency	(7%)	$9,968	(7%)	$8,085
Total Development Cost		$286,731		$180,247

*Based on 1,600 sq. ft., 3 bedroom, 2 bath home

Source: Planning and Building Inspection Department Survey of County. Developers and Builders, 1992

Energy Costs

The two main sources of energy, petroleum and natural gas are being rapidly depleted. As proven domestic supplies dwindle, cost for securing new sources for domestic supplies increase thus raising energy costs to the consumer. What is needed are energy systems which provide options for less centralized, more diverse, more dependable, and more efficient energy systems.

Electricity, bottled gas (propane), wood, oil and to a lesser extent solar are the main energy sources in the County. Pacific Gas & Electric, the main power company in the County estimates that a family of four pays $70-$100 per month on gas and electricity.

The County can play an important part in fostering a higher degree of energy efficiency in existing and new development. The County is already administering a weatherization program which includes insulation for low income households. The County has sponsored an energy task force which has helped raise the level of energy awareness. Energy saving measures can include:

1) lowering the thermostat in winter and using sweaters instead,
2) lowering water heater setting,
3) reduced use of hot water,
4) passive solar
5) insulation of homes and water pipes, and
6) weatherization.

In addition to the above measures, the Health Department is currently studying the reuse of biomass currently left rotting in the agricultural fields. Solid waste disposal sites have a separate area for recycling bottles, cans and paper. The County will continue to find new ways to reduce energy costs including siting homes for solar access and inspecting building designs for energy efficiency.

Income Requirements For Home Purchase

In order to purchase a home, a household must clear three financial hurdles: (1) make the initial down payment as well as other related costs, (2) make the monthly mortgage payments, and (3) pay other costs associated with homeownership such as maintenance and repairs.

Table 18 illustrates the home purchase power of very-low income, low income, median income, and moderate income using HUD income guidelines for a family of four persons. It also shows the annual income required to purchase a median priced home in the unincorporated area. The calculation assumes that 30% of income is devoted to the mortgage payment, a 30 year mortgage at a 9% annual interest rate, and a required 20% downpayment. The Table shows the required monthly payment, downpayment, the amount of mortgage and the resultant home price. To target very-low income households, the home price would have to be $68,000. To target lower income households, the home price would have to be $112,000. To target median income households, the home price would have to be $142,000. To target moderate income households, the home price would have to be $171,000 and to afford the median priced home, the annual household income would have to be $75,000.

The lowering of interest rates has increased the home purchase potential of some moderate income households. But the chances of most first time buyer households, particularly renter households, being financially able to purchase a home in Monterey County continue to be very slim. Buyer profiles of inclusionary housing unit buyers indicate that many do not have the sizable down payment required for even below market rate homes. And income statistics show that the County's renter households have a median income which is only 56% that of owner households.

TABLE 18

INCOME REQUIREMENTS FOR HOME PURCHASE

	INCOME	MONTLY PMT.	DOWN PMT.	LOAN AMNT.	HOUSE PRICE
VERY LOW	$19,000	$440	$13,671	$54,684	$68,335
LOWER	$30,400	$725	$22,526	$90,104	$112,630
MEDIAN	$38,000	$915	$28,429	$113,718	$142,147
MODERATE	$45,600	$1105	$34,333	$137,331	$171,664
REQUIRED	$75,000	$1840	$57,170	$228,678	$285,848

SOURCE: Monterey County Planning and Building Inspection Department

Housing in the Coastal Zone

In 1981 and 1982, State Housing Law revisions made local government responsible for monitoring affordable housing opportunities in the Coastal Zone. New legislation requires that jurisdictions document the number new units approved for construction, the number of affordable units demolished or converted. New units and replacement units may be either in the Coastal Zone or within three miles of it.

According to building permits issued since January 1, 1985, there have been 405 residential structures permitted within the Coastal Zone. Almost all of these permits were for single family residences. Fifteen percent, or about 60 units, of the permitted structures are reserved for families of low-and-moderate income

as required by the County's adopted Inclusionary Housing Ordinance. These units have been provided in a number of ways but it is most likely that in-lieu fees were collected to fulfill the affordable housing requirement. These fees are channeled specifically to provide affordable housing within the same "housing area." The Coastal housing area includes all areas within three miles of the Coastal Zone.

According to the 1980 Census about 28% or 7,416 housing units are located in the Coastal Zone. To keep the same proportion of new units in the Coastal Zone, about 280 (28%) new units should be located within, or close to, the Coastal Zone. To accommodate fair share housing requirements, about 109 (39%) of those units should be aimed at lower income families.

According to County building permits issued, there were 9 housing units demolished since January 1, 1982. No specific data are available on whether those units were occupied by low or moderate income households. One of those units, however, was a mobile home and can be assumed to have been occupied by a low-income household and would therefore need replacement.

There are various ways the County can ensure the preservation of affordable housing within or near the Coastal Zone. First, this Housing Element has two designated Development Incentive Zones (DIZ's) within three miles of the Coastal Zone; these are Pajaro and Castroville. Second, the County intends to carry-out those housing policies listed in the adopted Local Coastal Plans. Policies include a one-for-one replacement of any housing opportunities lost be demolition or conversion. Third, the County intends to carry out its Inclusionary Housing Ordinance for all new development in the Coastal Zone. And finally, the County is currently improving its parcel tracking system by tracking home sites and parcels with multi-family rentals. It is anticipated that such coding will help identify those structures occupied by low and moderate income families, and will allow more housing opportunities in the Coastal Zone.

Closure of Fort Ord

The downsizing of Fort Ord could have a significant impact on the regional housing market and may create some housing benefits. Since troops are scheduled to move out beginning August 1993, a major short term impact will be the availability of housing units on the regional housing market. There are about 1,253 housing units on Fort Ord which are in the unincorporated area and which will become vacant upon the downsizing. There is an opportunity for Monterey County to channel housing efforts to preserve these units, sell them at below market prices and render them as permanently affordable to lower income households through resale restrictions or purchase by a Community Land Trust, the Monterey

County Housing Authority or non-profit housing development corporation.

In addition, the Monterey County Housing Authority along with the Department of Social Services is currently evaluating housing declared "surplus" under the McKinney Act provisions for use as migrant farmworker housing, homeless shelters and transitional housing sites.

Military personnel currently occupy 5,189 housing units off-base and, upon closure, these units would become vacant and available in the housing market. One way to gauge the impact of those units on the regional market is to evaluate the change in the existing vacancy rate. Assuming the same percent vacant for-rent/sale as was found in the 1990 U.S. Census, the availability of 5,189 units would raise the for-rent/sale vacancy rate to 4.7% / 2.75%, respectively and an overall effectively vacancy rate of 7.5% with a total of 8,691 units vacant for rent and sale. Thus, the resultant number of vacant units is 1.8 times the number required (4,658 units) to be vacant to represent an "ideal" vacancy rate.

The resulting vacancy rate may dampen the accelerating housing prices seen in the previous decade. But the benefits to housing consumers may be short in duration due to other market characteristics. For example, the economic impact (AMBAG calculates that 15,968 non-military jobs will be lost) of the Fort Ord closure may make remaining households less able to afford available units. Current U.S. Census data shows a higher incidence of overcrowding (particularly in renter units) in the County when compared to the State. It may be that households now overcrowded will move into available units. This demand may be further influenced by the influx of households from surrounding high cost housing areas like Santa Cruz and Santa Clara Counties.

In response to the downsizing, the County's affected jurisdictions have formed a Fort Ord Community Task Force. The purpose of the Task Force is to develop a reuse and recovery strategy for Fort Ord. The Task Force itself is made up of mayors and other elected officials from the area. The Task Force is also made up of seven advisory committees which discuss and report on : land use, economic development, education, housing, health and human services, utilities/infrastructure and environmental pollution clean-up. To date, the housing committee has recommended that the land and housing which becomes available be used for: migrant housing (East Garrison), low/moderate housing rentals, transitional housing area, first time homebuyers, elderly retirement village, homeless shelters, permanent affordable housing (deed and resale restrictions), a Cal/Vet care center, and a mobile home park or manufactured housing.

The Task Force is also seeking a consultant to perform a comprehensive county-wide housing impact analysis of the downsizing. The data gathered will be used to recommend long and short term strategies for owner and renter occupied housing including the unique needs of special needs households listed in this Element. Whatever changes will occur it is very likely that this Element will be amended to account for changing housing programs and objectives.

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FUTURE HOUSING NEEDS

NEW CONSTRUCTION NEED

It is necessary to calculate the number of new housing units which must be constructed in order to accommodate projected population growth and to create enough housing for a balanced housing market--one with a higher housing vacancy rate than currently exists. The number of new units must be constructed by July 1, 1996.

AMBAG performed the new construction needs calculation and the methodology used in deriving the new construction total. The methodology involves using AMBAG population projections for 1996 as the target figure for new construction needs. The base number of estimated households in 1989 was derived from the AMBAG population projection. Projected housing demolitions for the period 1985 through 1990 were accounted for and added to new construction need. The remainder of the calculation includes the additional number of units needed to create a balanced housing market for rental and owner-occupied housing units and the additional number of units needed to conform AMBAG population projections with those of the State Department of Housing and Community Development. The calculation shows that by 1996 the unincorporated area should contain 36,243 housing units of which 12,391 housing units should be for lower income households at which point 34% of the housing units will be occupied by lower income households, still much lower than the regional percentage of 39.7% lower income households.

Given the fact that AMBAG estimated the 1989 number of households in the unincorporated area was 30,551 and the number of lower income households in the unincorporated area was 9489 (31% of all households), the number of new housing units that will be needed in the unincorporated area is 5,692 and this is the new construction need. That is, the Housing Element should provide "suitable sites" to ensure that these units can be constructed. More specifically, 1,587 units should be constructed for very-low income households, 1316 units should be constructed for lower income households, 1413 units should be constructed for moderate income households and 1,377 should be constructed for above moderate income households.

The new construction need of 5,692 will require the County to provide sites to build about 760 new units every year. This number represents an average annual percentage increase of about 2.5% per year and is close to the 2% average annual percentage increase in population. The annual construction goal represents about 230 units per year more than the current construction in

the unincorporated area (See Table 15); increasing densities in specifically identified growth areas and the projected availability of 1253 housing units in Fort Ord should make the target a realistic objective. However, since the new construction need for the time span of this Housing Element is based on AMBAG projections, significant prevailing trends in the economy may require periodic re-evaluation of new construction targets.

FAIR SHARE RESPONSIBILITIES

Legislative Background

The concept of fair share stems from State Supreme Court decisions which holds that any jurisdiction enacting housing development regulations must consider regional housing needs. The State Supreme Court laid the foundation for current State law which requires each jurisdiction to provide its fair share of a full range of housing opportunities. The range of housing opportunities found in the unincorporated area's jurisdiction should mirror those found in the region. The Monterey County region includes Santa Cruz County.

Fair Share Calculation and Allocation

As provided for in State law, the range of housing opportunities found in the Monterey County unincorporated area was compared to those found in the region by the Association of Monterey Bay Area Governments (AMBAG). One way to measure how well the unincorporated area has provided housing opportunities for lower income households is to compare the percentage of lower income households in the unincorporated area with the regional percentage of lower income households (Those households earning less than 80% of the County median income).

According to AMBAG, the unincorporated area of Monterey County had fewer housing opportunities for lower income households than were found in the region as a whole. The percentage of lower income households in 1989 was 31% in the unincorporated area versus 40% in the region. In order to match housing opportunities in the region, Monterey County must implement action programs within the next five years to provide additional housing opportunities for lower income households.

As discussed above, by July, 1996, the County should construct a total of 2903 units for lower income households with 1,587 units constructed for very-low income households and 1316 units for lower income households.

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As discussed above, by July, 1996, the County should construct a total of 2903 units for lower income households with 1,587 units constructed for very-low income households and 1316 units for lower income households.

It is the goal of this Element to provide suitable sites which will be appropriately zoned for the construction of housing units for lower income households. It is also the goal of this Element to provide programs which make housing opportunities on suitable sites affordable to lower income households. And finally, it is the goal of this Element to provide programs to assist those existing 4,244 unincorporated area households who are currently overpaying for housing.

SUMMARY OF HOUSING STRATEGIES AND PROGRAMS

This Element relies on housing development strategies to provide the sufficient "suitable sites" needed for the construction of housing for all income groups but particularly low and moderate income groups. **The Monterey County General Plan states that "The total residential holding capacity for the County ...is 257,486 units in the unincorporated area..." (p.118). According to the 1990 U.S. Census, the unincorporated area contains 34,350 housing units. This means that the unincoporated area has more than 200,000 residential sites remaining.** As housing is constructed within the context of the housing development strategies, this Element's housing programs are applied to units constructed to ensure that a suffient number are initially built, set aside, or subsidzed to be affordable to low, very low and moderate income households.

Most of the County's housing development strategies depend on the premise that affordable housing goals can be met in areas where sufficient sewage treatment and other urban facilities are available. Services are the key to attaining the densities which would allow for development of affordable housing. A major part of the County's housing strategy, therefore, is the identification of suitable sites where services are or will be available and directing affordable housing developers toward these areas. Suitable sites for County housing programs include five major areas: 1) Development Incentive Zones; 2) Areas of Development Concentration; 3) areas scheduled for annexation or which have been annexed by the County's incorporated cities for which "a reallocation of new construction goals " agreement has been negotiated; 4) the inclusionary housing strategy in the low density areas of the County; and 5) the use of 1,253 units in Fort Ord which should begin to become available in August 1993. These areas are expected to yield suitable sites for those rental and for sale units needed to address the unmet housing needs of the County's households. The remainder of the unincorporated area relying on septic tank disposal systems, will also produce affordable housing in the form of **units created through the Development Incentives Plan,** inclusionary units, senior citizen units, caretaker units and manufactured housing.

An emphasis on development concentration will yield more affordable housing than the traditional development pattern within the unincorporated area. In the past, much of the development in the unincorporated area has taken place incrementally, resulting in a scattered low density development pattern which yielded homes at price levels too high to be considered affordable. It now becomes necessary to consider a different development pattern, one which recognizes land and resource constraints as well as the pressures for housing. The need to preserve valuable agricultural and open space lands will focus the County's limited financial

resources on those areas most suitable for residential use. Development concentration, enables the environmental review process, the delivery of public services and facilities, and the development application processing to be expedited more economically and efficiently. This strategy has the potential of producing an adequate supply of affordable housing in the County, while still retaining natural resources and agricultural lands. To follow this development pattern, the County will carry out a number of specific housing programs. These include:

1) exercising its land use regulatory powers to direct the intensity, location and timing of residential development towards designated growth areas.

2) designating suitable sites for housing (improving infrastructure, increasing densities, preparing neighborhood improvement plans, specific plans and master environmental assessments) and providing incentives to housing developers to rapidly produce a sufficient quantity of housing in these target areas;

3) retaining but further refining the adopted Inclusionary Housing Ordinance to ensure private sector involvement in production of affordable housing within the low density portions of the County;

4) formulating arrangements with cities to concentrate a part of the County's housing responsibility within urban services areas;

5) securing funds that allow for acquisition and retention of land and land options for housing;

6) exploring and securing new stable local funding sources;

7) placing a high priority on energy efficient dwellings, and;

8) coordinating housing development activities with significant participants in the housing field.

The County has recognized that, in order to meet the goals set forth in the following section, it must continue in its aggressive and affirmative posture in stimulating and directing residential development. The recent reductions in Federal support for housing makes it imperative that local solutions are devised and sustained. The following section discusses those local solutions in the form of five site strategies, the Areas of Development Concentration, Development Incentive Zones, Inclusionary Housing Strategy, Joint Venture Housing, and Fort Ord re-use strategies.

QUANTIFIED OBJECTIVES

Housing Element Programs include the following objectives in the matrix form below. The objectives outlined are based on the Element's new construction goals and the rehabilitation goals contained in Element Programs 4.1.1 - 4.1.4. Conservation goals are based on program 3.1.1 which is directed to the purchase of mobile home parks by residents under the State's Mobile Home Park Resident Ownership Program (MPROP) and increases in allocations of Section 8 Certificates and Vouchers.

	New Constr.	Rehabilitation	Conservation
Very Low	1587	300	39
Low	1315	300	36
Moderate	1414	100	0
Above Moderate	1376	0	0

SITE DEVELOPMENT STRATEGIES

Rancho San Juan Area of Development Concentration

Areas of Development Concentration open up additional sites for housing. The County General Plan channels most of the County's future growth into Areas of Development Concentration (ADC) to prevent urban sprawl and development on agricultural lands. According to the Plan, ADCs must or will have "appropriate levels of public services to serve the higher intensity land uses proposed for areas of development concentration." In response to provision of services the Plan goes further to state that "It is the County's intent to increase residential densities in designated growth areas..." and that "Residential densities may be increased only where such increase is determined to provide for low and moderate income housing needs..."

Projects within ADCs may be built out at various densities but higher densities will lower housing costs. Affordable housing can thereby benefit from high service levels to be provided in ADCs. The affordable units will be included on-site according to the Inclusionary Housing Ordinance.

The Greater Salinas Area Plan (adopted by the Board of Supervisors in 1986) intended the Rancho San Juan ADC to "provide for the county's long-term (15-20 years) need for residential and economic growth. It is anticipated the ADC will accept about 5,500 new residences..." (p. 86) To assure the development of affordable housing, the Plan designated the majority - 1310 acres or 97% - of the ADC's residential land use at "High Density-5.1 units per acre."

In 1991 the County commissioned study of the feasibility of developing the ADC was completed. The report known as the "Rancho San Juan Area of Development Concentration Feasibility Study" (1991-Jones and Stokes Associates Inc.) performed an analysis of constraints to implementing the ADC land use development policies. The constraints analysis stated that "Groundwater is the primary source of water supply for Monterey County and, as such, seawater has intruded thousands of acres in the northern part of the valley. Groundwater extractions in the ADC total over 3,000 acre feet per year for agricultural uses. Urban development in the ADC should be restricted to use substantially less water than is currently demanded to contribute to a basinwide reduction in the rate of seawater intrusion." The report summarized that "With Monterey County facing serious potable water supply problems, water service emerged as the major limiting factor to development of the ADC and expansion areas." (p. 2-2)

The report also analyzed development alternatives based on constraints and concluded, "Because of water resources constraints Alternative 2 (The preferred alternative) proposes 2380 units." (Chapt. 2 p.2-1) Documented water limitations in the ADC reduced the buildout potential which is now only 43% of the unit buildout originally anticipated by the Greater Salinas Area Plan.

The report also states that "Traffic is a constraint to development of the ADC. Current traffic projections indicate poor levels of service in many of the affected roadways, especially those in and near Salinas. Future traffic projections indicate that regional growth will cause additional traffic congestion on many roadway segments and intersections. Development of the ADC will generate additional traffic and the ADC project shall contribute their fair share toward funding necessary local roadway improvements." (p.2-2)

According to General Plan and shown in Table 19, Rancho San Juan has the potential to accommodate 6120 units. However, because of the water constraints Table 19 has allocated a total of 2380 units to be developed in the ADC by July 1, 1996. Of the above number 15% or 357 will be for moderate income households and 119 (5%) will be for lower income households. The remainder, or 1,904 units are for above moderate income households.

Development Incentive Zone Strategy

Affordable housing yields also come from those areas in the unincorporated County which are already urban. Communities like Castroville, Pajaro, Chualar ,Boronda, San Lucas and San Ardo look like urban neighborhoods because they have sewage collection and treatment systems which allow higher densities. Vacant, under utilized parcels in these communities are considered suitable sites because they offer an opportunity for the County to

rezone land at densities which would lower housing development costs. Development Incentive Zones are areas where allowable densities have been increased to 10-20 units per acre to tie in uncommitted sewage treatment capacities with affordable housing. The opportunity to develop at higher densities is expected to be an economic incentive to developers of affordable housing.

Redevelopment Agency and Development Incentive Zones

The communities of Pajaro, Castroville and Boronda are all project areas of the Monterey County Redevelopment Agency. The Agency has played an important role in improving the infrastructure capacity and housing quality within these communities. For example the Agency has been successful in helping the Pajaro Community Services District to secure $17,000,000 in federal grants from the Economic Development Administration and Farmers' Home Administration, along with the County of Monterey's CDBG grant funds in the amount of $600,000 for a total cost of $2,300,000 to construct and upgrade the water system in Pajaro.

In 1988, the Boronda County Sanitation District completed construction of a new sewer collection system. The project was jointly financed by the Farmers' Home Administration, Environmental Protection Agency and the State Community Development Block Grant Program for a total of $2,300,000.

Since 1985, the County of Monterey targeted $1,326,000 of State and federal grant monies for the Boronda, Castroville and Pajaro Redevelopment Project Areas to implement a comprehensive housing rehabilitation program. Over the next 25 years, the Monterey County Redevelopment Agency proposes to generate $8,100,000 in tax increment financing for the provision of affordable housing. The Agency estimates $2,000,000 will be spent on housing rehabilitation and assemblage of land for new housing in Pajaro; $2,000,000 for a revolving housing rehabilitation program. Over the next 25 years, the Monterey County Redevelopment Agency proposes to generate $8,100,000 in tax increment financing for the provision of affordable housing. The Agency estimates $2,000,000 will be spent on housing rehabilitation and assemblage of land for new housing in Pajaro; $2,000,000 for a revolving housing rehabilitation loan program in Castroville; and $4,100,000 to implement a comprehensive rehabilitation and neighborhood loan and grant program and land acquisition.

The suitability of the Pajaro, Castroville, Chualar, Boronda, San Lucas and San Ardo communities for intensified residential development is discussed below. A summary of the number of units to be produced within these communities is shown on Table 19.

Pajaro

Approximately 18 acres of "industrially designated" lands are under review by Agency staff to evaluate to potential redesignation of the acreage to residential. Currently the acreage is utilized by the Southern Pacific Railroad, labor camp, and ice

production plant. The property owners have been contacted and are favorable to negotiating sale of the property for the construction of affordable housing. Based upon the infrastructure system constraints which include water, sewer, and drainage, and mitigation of traffic, noise and environmental impacts, the site would be suitable for medium density residential at 15 units/acre or 270 units. An environmental impact report and site development plan needs to be prepared to evaluate the environmental, technical and economical feasibility to utilize this site for housing.

The adopted land use plan for the Pajaro community designates 38.2 acres of high density residential at **10-**20 units per acre (or 764 units). Approximately 400 dwelling units, of which 81% are in substandard condition, are developed upon this acreage. Based upon the land use designation, Pajaro has the residential development holding capacity of 15 units per acre or a total of 572 units. Subtracting the existing 400 units, yields a total of 172 new housing units to be developed. (Final Environmental Impact Report, Pajaro Redevelopment Plan, October, 1986).

The development of the new housing units would require the acquisition and assemblage of land, relocation of existing families, demolition of existing substandard units and reconstruction of new safe decent affordable housing for families with very low, low and moderate incomes. This would require displacing many families in an already overburdened housing market which currently does not have sufficient affordable and safe housing to relocate these families.

An evaluation of alternative sites through the redesignation of "industrially designated" lands to residential uses could provide the long-term strategy necessary to provide additional and replacement housing, prior to demolition and reconstruction in the existing residential areas.

The Pajaro County Sanitation District contracts with the City of Watsonville for sewage treatment and the City's municipal water system provides water service. Sewage treatment capacity, shared with Las Lomas, and has been expanded with the construction of a new sewer line. **This expansion will provide an additional 70,000 gallons per day sewage flow and allow the connection of 280 additional units.** Pajaro is situated near Highway 1 and in close proximity to Watsonville, Moss Landing, and Castroville, which provide shopping and employment opportunities. Employment related to agricultural activities is also available in the area.

Castroville

Castroville contains 376 acres of which 6.07 acres remain vacant and currently zoned for "High Density Residential" development. Residentially zoned vacant land is expected to yield 91 units of which 46 will be for very low income families and 45 units will be for lower income families under existing land use designations. ~~There is currently no sewage treatment allocation for~~

~~new-residential-development-in-Castroville.--The-County-of-Monterey-and-the-Castroville-County-Sanitation-District-are-currently negotiating-with-the-Monterey-Regional-Water-Pollution-Control Agency-for-additional-residential-treatment-capacity.~~ **The Monterey Regional Water Pollution Control Agency Board has allocated capacity to allow an additional 221 units in Castroville.** The existing sewage collection system in Castroville has adequate capacity within the collection lines.

The Pajaro/Castroville Redevelopment Plan has targeted approximately $400,000 in tax increment revenue to acquire additional sewage treatment capacity. The Castroville County Sanitation District is planning to implement a residential water/wastewater conservation program which may assist with the provision of additional sewage treatment capacity.

Chualar

Chualar contains 132 acres of which 10.5 acres are zoned for "High Density Residential" 10**-20** units per acre and of which 4.84 acres are zoned "High Density Residential" 18 units per acre. Chualar is serviced by a County sanitation district and a County water district. The town is located on Highway 101, ten miles from Salinas. Residents of Chualar can be expected to take advantage of employment and shopping opportunities in the Salinas area. The sewage treatment plant is at capacity, however, the Public Works Department is currently working to establish a new discharge permit from the Regional Water Quality Control Board with capacity increases based on the current land use density of 20 units per acre. The density allowed on the "Broome" property will allow 197 units in Chualar.

Boronda

Boronda contains 397.9 acres of which 15.4 acres are currently zoned for "High Density Residential" 15 units per acre. Another 14.07 acres are currently zoned "Medium Density Residential" and will be rezoned to "High Density Residential" **10-20** ~~15~~ units per acre as more sewage capacity become available in accord with the Development Incentive Zone Strategy. The total acres of 29.47 in this land use category will yield a potential 442 units of which 221 will be for very low income households and 221 will be for lower income households. **However, the Monterey Regional Water Pollution Control Agency Board has allocated capacity to allow only an additional 98 units in Boronda.**

The Boronda County Sanitation District has a sewage treatment allocation under a Memorandum of Understanding (MOU) with the City of Salinas and the Monterey Regional Water Pollution Control Agency. This MOU provides the Boronda County Sanitation District with a maximum allocation of 150,000 gallons per day of average daily dry weather flow. This allocation limits the residential density currently allowed.

This MOU provides an allocation for the existing 330 residential

units or approximately 100,000 gallons of flow per day and an additional 50,000 gallon allocation for approximately 200 new residential units. The Boronda Redevelopment Plan has targeted $1,000,000 in tax increment revenue to acquire and/or construct additional sewage treatment capacity. The Boronda County Sanitation District, Monterey County Redevelopment Agency and the City of Salinas will need to negotiate additional treament capacity fot Boronda.

San Lucas

San Lucas contains 2.14 acres which are currently zoned "Industrial". This property, because it falls within the San Lucas County Sanitation District will be rezoned to "High Density Residential" 10-20 units per acre in accord with Development Incentive Zone Strategy. The rezoning will yield a potential of 32 units of which 16 will be for very low income and 16 will be for lower income households.

San Ardo

San Ardo contains 81 acres and is zoned "High Density Residential". There are about five acres of legal, vacant lots and a buildout potential of 75 units. However, the sewage plant in San Ardo has an additional capacity of 33,000 GPD which would yield 132 dwelling units. The town is served by the San Ardo Water District, which provides water and sewer services. San Ardo is located on Highway 101 and is the center of the County's oil refining industry.

Joint Venture Housing Strategy: Housing In Incorporated Cities

There is a definite need for a negotiation process which permits a major part of the unincorporated areas housing to be placed in cities. In fact, it was the intent of state housing law covering the creation of Housing Elements that "each local government cooperates with other local governments to address regional housing needs."3/ Recently, state law was amended to provide for a reduction in "...the share of regional needs of a county if...one or more cities in the county agree to increase its share or their shares in an amount which will make up the reduction." (State Government Code Section 65584(c)(5).

The County will pursue such negotiations because cities, for the following reasons are better equipped to provide the services needed for affordable housing. Cities currently have most of the regional sewage treatment allocations for new growth and can provide new development with police, fire, water, and public transportation services. The availability of these services allows higher density projects with lower land and per-unit costs. Finally, urban environments have few of the land constraints and other resource uncertainties connected with development in the unincorporated area.

The County has recognized the capabilities of cities to produce

affordable housing. Consequently, the County relies on the existing General Plan which states that "Urban development should be discouraged...outside the boundaries of urban service areas." The Plan further states that the first priority areas for future growth in Monterey County is within existing urban areas. The County General Plan also uses the overlay "urban reserve" land use designation to mark areas within a City's adopted sphere of influence. The "urban reserve" overlay designation restricts the County's land use to low densities in order to not compromise the future annexation plans of any cities. In addition, County General Plan Policy 26.1.14 specifically states that "The County shall encourage that development be annexed to existing cities where annexation will facilitate the logical and economical provision of services, if annexation is feasible." Thus, the County has actively planned for the orderly growth of cities and (with the exception of Areas of Development Concentration) restricted its own land use options so that the County's housing needs can be met in the most suitable areas.

3/ Section 65581(d) California Government Code.

The County, on the other hand, faces obstacles to developing housing at urban densities. The County has limited resources to provide sewers, one of the basic facilities needed for high density affordable housing. The County will make land available for more intensive growth through its Areas of Development Concentration and the Development Incentive Zones; but the lack of resources for housing in the unincorporated area and the potential for these same resources in cities makes it necessary for both jurisdictions to plan for jointly contributing to each others affordable housing goals.

To reallocate new construction goals within cities, the County will need to conduct formal negotiations with cities in two situations: before they annex land or establish a redevelopment agency. Both actions require a tax transfer negotiation process to re-establish the proper tax balance as jurisdictional boundaries change or as a city creates a redevelopment agency which uses tax increment financing, a tool which freezes the district's property tax revenue to the County.

Proposals for boundary changes such as annexations can be reviewed with an aim toward reallocating new construction goals for housing in annexed areas. In fact, California law on annexations directs the Local Agency Formation Commission (LAFCO) to assess those issues of "mutual social and economic interests" affected by annexation and the "proposal's conformance to both the City's and County's General Plans." Provision of affordable housing is certainly a major issue affecting all local governments in Monterey County. By mutual agreement, the County should be able to reallocate it new construction goals to account for a portion of the housing units created in annexed areas.

Urban redevelopment agencies which uses "tax increment" financing also offer opportunities for a city and the County to share credit for creating affordable housing within the agency. This financing tool freezes property tax revenues to the County thus depriving the County of revenues needed to accomplish its own housing goals. However, State redevelopment law requires that 20% of the revenue created in the redevelopment district be devoted to affordable housing. The County should support redevelopment efforts by cities if such support will result in obtaining partial credit for the County for those affordable units created through redevelopment. The County will negotiate with cities to secure credit for the number of affordable units created through redevelopment as well as through other county housing programs.

It is anticipated that through designating Areas of Development Concentration and entering into joint ventures with cities the County can, in the long run, secure suitable sites for affordable housing which will benefit the region as a whole. Table 19 shows

the number of units for which the County can claim "fair-share" housing credits in accordance with Fair-Share Housing Agreements negotiated with the cities of King City, Greenfield, Gonzales, Soledad and Salinas. The units will be built within the time frame of this housing Element. The Joint Venture Housing Strategy will generate a total of 394 units for low and moderate income families within areas recently annexed by the above cities. Of this total number, 157 units will be for very low income households, 113 units will be for lower income households and 128 units will be for moderate income housing.

To facilitate future reallocation procedures, Board of the Association of Monterey Bay Area Governments has adopted an interim Policy on the transfer of regional housing allocation. The Policy is pursuant to State Government Code Section 65584(c)(5). According to the interim Policy, the potential number of units which the County can reallocate to the cities is 1115 units, of which 327 units are for very low income, 271 units are for lower income, 289 units are for moderate income and 227 units are for above moderate income households.

Inclusionary Housing Strategy

Monterey County has had an Inclusionary Housing Ordinance in effect since 1981. The intent of this Ordinance is to bring into production low and moderate income units along with market rate units. If a developer could not build the inclusionary units on-site he was permitted a number of alternatives. These included off-site transfers, donation of land and a fee in-lieu of providing such units. Since the fee amounted to about 2% of the market rate home, most developers elected to pay the fee. In spite of the weighted structure of the ordinance towards fees and away from on-site units, the Ordinance has generated 40 rental units in the unincorporated area, 90 for-sale units in the City of Salinas, 23 lots for-sale units and a total of $185,000 cash contributions and $460,000 in funds committed toward housing.

In 1985 the Board of Supervisors changed the Inclusionary Housing Ordinance to require on-site contributions for projects which are seven or more units in size. For project of six units or less the Ordinance requires an in-lieu fee. The combination of housing generated on-site and units produced with funding from pooled in-lieu fees, the Inclusionary Housing strategy has been one of the most sucessful programs in developing housing affordable to low and moderate income households.

Table 19 shows all known projects within the County being proposed or recently approved within the time-frame of this Housing Element and which are consistent with current County land use plans. The County's Inclusionary Housing Ordinance requirements on these projects are shown on Table 19. Existing or proposed

Inclusionary Housing yield for these projects consist of 16 units for very low income families, 120 units for lower income families and 320 units for moderate income households.

Fort Ord Re-use Strategy

The County intends to claim any and all housing resources which will become available to the County jurisdiction as a result of the Fort Ord downsizing and channel all of those resources toward provision of housing for low and moderate income persons. It is estimated that 1,253 housing units will become available within the County jurisdiction within the time frame of this Housing Element. The County views them as "suitable sites" for housing low and moderate income households. In fact, on February 25, 1992 the Monterey County Board of Supervisors unanimously voted to ensure that housing units in Fort Ord be retained as "permanently affordable." The County intends to apply its existing programs to finance these units for sale or rent. In addition, the County will encourage and assist non-profit housing development corporations to acquire and manage housing units for lower income families. Private market housing will contain resale restrictions to render units permanently affordable.

Barracks housing in the East Garrison area will be renovated and used to provide shelter opportunities for migrant farmworkers and the homeless in the form of emergency shelter and transitional housing.

Suitable Sites: Emergency Shelters/Transitional Housing

Provision of all homeless services have occurred in the coordination and implementation of the Homeless Services Plan adopted by the Board of Supervisors on November 13, 1990.

The Plan identified the need for an oversight Commission on Homelessness to provide direction and guidance during the implementation and evolution of the Homeless Services Plan. Toward this end, the Homeless Task Force was reconvened to provide additional input to staff for the establishment of such a body by the Board of Supervisors. The Task Force members recommended the Department of Social Services bring this before the Board of Supervisors for approval. Homeless Services Commission was a possible name recommended for the Commission in keeping with the Social Services Commission and the Community Services Commission, all administered by the Department of Social Services.

The Task Force members assisted staff in compiling a list of potential members to the Commission. This included former Task Force members who were interested in serving; representatives from each member of the Board of Supervisors; Mayors or City Managers from cities throughout the County; the County Adminis-

trative Office; the Departments of Social Services, Health, and Planning; County Mental Health and Drug and Alcohol Programs; the Housing Authority of Monterey County; non-profit organizations from the Salinas area, the Monterey Peninsula, North Monterey County, and South Monterey County; foundations; businesses; churches and ministerial associations; and a representative of the client population.

The Plan recommended that the Housing Authority of Monterey County acquire and rehabilitate a suitable facility in Salinas for the operation of a transitional housing program for single male adults. Toward this end, the Housing Authority has used its funds to acquire and to renovate the Plaza Hotel in Salinas. This project will provide for twenty-seven (27) Single Room Occupancies. It is anticipated that the Housing Authority will be responsible for the operation of the facility and a non-profit organization will provide case management services. The Housing Authority, Alcohol and Drug Programs and Mental Health from the Health Department, and the Homeless Unit from the Department of Social Services are coordinating and cooperating to determine the program content of the case management services and to identify and seek financial resources to support the case management portion of the Plaza project.

The Plan also recommended that the Department of Social Services solicit and coordinate efforts of a non-profit agency to develop a site and for the operation of a transitional housing program in Salinas for homeless families with women heads of household. Toward this end, the Homeless Unit has coordinated efforts between Shelter Plus, the non-profit agency, and the Housing Authority, for the identification of possible sites and funding services.

To date, two potential sites have been identified, both of which are owned by the Housing Authority in the Salinas area. Preliminary discussions have occurred wherein the Housing Authority may operate such a facility while Shelter Plus would provide the case management services.

Potential funding may be available from HUD for Supportive Transitional Housing Demonstration funds. Should this project be deemed feasible, the Housing Authority, the Homeless Unit staff and Shelter Plus will collaborate on a grant application for funding.

The Plan also recommended the development of a Transitional Family Shelter on the Monterey Peninsula. To date, site acquisition continues to be a problem. Homeless Unit staff, the Monterey County Housing Authority, and the County's Housing Coordinator are researching the availability of funding for this project. One potential source is the HUD funding identified above. Re-

search was conducted to determine the feasibility of funding this project under the HUD Supportive Transitional Housing Demonstration Program. Due to the funding restrictions and lack of site control, it appears the HUD funding may not appropriate for this project at this time. The Housing Authority, the County's Housing Coordinator and the Homeless Unit staff will continue to coordinate and collaborate as appropriate to identify and seek funding.

The County is also taking actions to secure transitional housing and emergency shelter sites in Fort Ord under the McKinney Act Specifically a site of 25 acres to build 200 units for migrant farmworkers is being requested in the in the East Garrison Area, 44 units and 10-15 units of transitional housing are being requested in Schoonover Park and Fredrick Park, respecively. Both of these sites are in the unincorporated area. The McKinney Act gives first priority distribution of Federal surplus properties to agencies acting on behalf of the homeless.

Assisted Units at Risk of Conversion

A review of the "Inventory of Federally Assisted Units" indicates that there are no units located in the unincorporated area which are in danger of conversion. Telephone interviews with the Monterey County Housing Authority, the Farmers Home Administration and CHISPA for information on units built in the unincorporated area under Section 221(d)(3) with rent supplement or Section 8 contracts, Section 236 projects and FmHA pre-1980 Section 515 projects resulted in no findings that such units were located in the unincorporated area. The County Inclusionary Housing Ordinance requires units to be affordable for a thirty year period. The Inclusionary Housing Ordinance has been in effect only since 1985.

Study of New Development Strategies

The Monterey County Board of Supervisors has directed, as part of this Element, that more housing development strategies be evaluated fully and made ready to address any housing needs which may remain unmet by existing housing strategies. Without making a commitment to enact land use changes and the extensive environmental review such action would trigger, this Element makes a commitment to evaluate the potential of using "marginal" farmlands as areas where additional affordable housing could be located. Specifically, the Board has formed a committee consisting of representatives from the agricultural community and housing advocates. This committee will evaluate the potential for either expanding existing communities or creating new communities in order to provide more sites suitable for affordable housing. Since the Committee will focus on the agricultural areas of the County, it is important that any proposed new development be

conditioned so that it eliminates or minimizes the impact on agricultural land and farming activities.

TABLE 19

SUITABLE SITES FOR LOW AND MODERATE INCOME HOUSING DEVELOPMENT

AREA OF DEVELOPMENT CONCENTRATION	Potential Units *	TARGET INCOME GROUPS Very Low Income	Lower Income	Moderate Income	Abv. Mod. Income	Acres	Density DU/Acre	Location
Rancho San Juan	2380	0	119	357	1904	1200	5.1	
DEVELOPMENT INCENTIVE ZONES								
Boronda Vacant:	98	49	49			29.47	15	
Castroville Vacant:	91	46	46			6.07	15	
Chualar Vacant:	110	53	52			11	10	
	87	44	44			4.84	18	
Pajaro Vacant:	270	135	135			18	15	
San Ardo Vacant:	75	38	38			5	15	
San Lucas Vacant:	32	16	16			2.14	15	
SUBTOTAL:	763	380	379	0				
HOUSING DEVELOPMENT BY PROJECT/DEVELOPER								
INCLUSIONARY HOUSING REQUIREMENTS								
Artichoke Inn	6	6						Castroville
Canada Woods	45	14	9		22	550	0.4	
Carmel Greens	106		36		70		1	Carmel Valley
Coast Ranch	90		8	6	76			Carmel Valley
Country Club Hills	11			1	10	2.79	4	
Del Piero Subdivision	17				17			North County
Elena Estates	20			20		5	4	
Holt Ranch Subdivision	149			65	84			
Jim Rector	2			2				Las Lomas
Laguna Seca East	258			39	219	565	0.45	
Las Palmas Ranch	515			32	483			River Road and Highway 68
Logan Knolls	7				7	64	0.2	
Lone Vista Subdivsion	24				24		4	
Mahroom	36				36			
Marani Subdivision	17				17		0.2	
Mc Donald Ranch	65			11	53			Corral De Tierra
Monte Del Lago	48		7					
Monterey Bay Estates	56			56				Castroville
Monterra Ranch	283			42	241			Highway 68 nr York Sch.
New Beginnings	11		10					Boronda
Pebble Beach	353			53	300			
Quail Meadows	56		9		47		0.2	8000 Valley Greens Dr.
Steve Macias	6	2	4					Hyland Drive, Boronda
Triple M Ranch	39					134	0.2	
Valle San Juan Est.	2			2				San Juan Grade Rd. Salinas
Veeder Ranch	27			4	23	82	0.5	Garzas Rd. Carmel Valley
Villa De Castro	20		20					Castroville
SUBTOTAL:	2,269	22	125	333	1,729			
HOUSING DEVELOPMENT BY NON PROFIT COPORATIONS								
Rancho Los Robles(RTC) CHISPA	250	75	150	25				Near Castroville
Pacific Meadows/American Baptist Homes	200	99	61	40				Carmel Valley
Lone Vista Townhomes/Housing Authority	9	9				2.4	3	Las Lomas
SUBTOTAL:	459	183	211	65	0			
JOINT VENTURE AGREEMENTS								
Agreement Signed, Units to be Built:								
King City	222	49	49	128				
Greenfield	35	35						
Gonzales	29	16		9	4			
Soledad	61		61					
Salinas	122	61	61					
SUBTOTAL:	469	161	171	137	4			
FORT ORD RE-USE	1253	752	251	251	0			
SUBTOTAL:	7,593	1,497	1,255	1,143	3,637			
SITES WHICH BECOME AFFORDABLE BY APPLICATION OF HOUSING ELEMENT PROGRAMS:								
1. Second Units, Mixed Use, Accessory Apts. Senior Citizen Units, Caretaker Units:	135	67	68					
2. Fort Ord E. Garrison Farmworker Housing	200	100	100					
3. Fort Ord E. Garrison Transitional Housing	50	50						
3. Units In Uninc. Area Vacated By Fort Ord Personnel:				50				
4. New Inclusionary Units				100				
5. Development Incentives Plan		50	50	200				
SUBTOTAL:	385	267	218	350				
New Const. Goal:	5,692	1,587	1,315	1,414	1,376			
No. of Units In Excess of New Const. Goal:	2,290	177	158	79	1,876			

*NOTE: This figure shows potential units according to current land use densities. The potential number of units shown in this Column may exceed available resources and the County's ability to satisfy this buildout within the context of County General Plan requirements as outlined in Section 65300 of the State Government Code.

REVIEW OF EXISTING PROGRAMS

Described below is an evaluation of the housing programs included in the 1985 Housing Element. On the whole the programs were successful, particularly with regard to the Inclusionary Housing Program, Development Incentive Zones and the streamlining of the development process. The programs which were less than sucessful will probably need time to become more active. Housing development is measured in long time increments and a more definitive evaluation can be made in the next Housing Element Update.

Goal I. Increase the Housing Supply
Programs

Second Units: Senior Citizen/Caretaker Units

Evaluation: The County enacted a Senior Citizen Units Ordinance in 1983. Since then 51 senior citizen and 84 caretaker units have been built. The units are allowed in any district which allows single family residences and are generally ancillary to a main housing unit. They are allowed with only an administrative permit (Title 21). According to the Zoning Ordinance, senior citizen units must be occupied by persons over sixty years of age or by handicapped persons.

Recommendation: The program will be retained because the senior citizen units provide affordable housing for special needs households, seniors and the handicapped. The caretaker units contribute to the housing stock, the job/housing balance and energy conservation.

Manufactured Homes: Location in Single-Family Districts

Evaluation: The record on building permits show 175 manufactured homes have been built in the unincorporated area since 1985. U.S. Census data on housing unit types indicate that the percentage of manufactured homes is increasing. In the past decade this housing type category experienced the largest percentage increase (23%) of any housing category. The Zoning Ordinance allows the placement of manufactured homes in single-family districts with an administrative permit and processes them in the same manner as conventionally built homes. The Ordinance requires them to be installed on a permanent foundation system and requires enhancements which help the units blend in with character of surrounding units.

Recommendation: Given the increasing reliance on manufactured homes to reduce housing costs, this program will be retained in the updated Element.

Manufactured Homes: Subdivisions

Evaluation: There have been no manufactured home subdivisions developed in the unincorporated area in spite of the fact that the Zoning Ordinance allows such development and Subdivision Ordi-

nance requires consideration of regional housing needs. However, some manufactured housing subdivisions have been built in cities and it is likely that they will be considered for development within a subdivision in the unincorporated area. Manufactured homes on small lots could bring housing prices within reach of even lower income households.

Recommendation: This program will be retained as it is anticipated that proposals for this type of subdivision will surface in the near future on an identified suitable site consistent with the Housing Element.

Manufactured Homes: Flexible Design

Evaluation: To date there have been no requests to waive the design requirements on manufactured homes on permanent foundations. This may be due to the fact that many manufactured units already come with siding material having the appearance of wood, and that roofing materials are already composed of composition shingle, wood or tile. The Zoning Ordinance currently allows a waiver of these requirements with an administrative permit.

Recommendation: Given that a waiver to design requirements is already allowed with an administrative permit, and given the current state-of-the-art of manufactured housing design, this program will be eliminated from the Housing Element.

Zero Lot Line Development

Evaluation: Given the popularity of zero lot line development in cities it is surprising that no developments of this type have been built in the sewered portions of the unincorporated area. The Zoning Ordinance specifies that the minimum building site in the "High Density Residential" District is 6,000 square feet unless otherwise approved as part of "condominium, planned unit development, or similar clustered residential subdivision." However zero lot line development is not spelled out as one of the permitted alternatives.

Recommendation: This program should be retained as it provides affordable homeownership opportunities by increasing densities and by reducing land costs. However the program should be revised to require formulation of height, bulk, and setback standards and regulations appropriate for zero lot line development. Once these have been formulated, the Zoning Ordinance should be amended to include approval procedures specifically for zero lot line developments.

Single-Family Accessory Apartment

Evaluation: Since this program began, one unit has been approved for construction as an inclusionary unit which is deed restricted to be affordable to a moderate income household. Additionally, a conversion of part of the unit to an accessory rental apartment will require rent levels to be affordable to a lower income

household. Therefore, it will yield two affordable units. Lack of progress is largely due to developers being unfamiliar with the initial concept.

Recommendation: This program has a high potential to provide affordable housing and should be retained. However, the program should be altered to restrict occupancy of the rental apartment only to lower income households and the program should be highlighted to developers through an educational brochures.

Mixed Use Development

Evaluation: This program is targeted for communities in the county, like Castroville, which are aiming toward commercial revitalization. There is a current recommendation from the County's Economic Development Corporation to rezone certain parcels on the east side of McDougal Street to encourage commercial development. The mixed use housing program would be compatible with such a proposal because second story residential units will maintain the vitality of the commercial center.

Recommendation: This program will be retained but it should be altered so that it is coordinated with commercial revitalization plans for communities such as Pajaro, Castroville and Chualar.

Goal II. New Construction Support Programs

Streamlined Development

Evaluation: The Planning and Building Inspection Department has made much progress relative to this program. The Department has adopted standards of processing for all development applications. To date approximately 66% of the projects go to a public hearing within 90 days from the day the application is received. In addition, the Department initiated weekly interdepartmental review meetings with other County Departments to receive their comments on applications. Also, the Department initiates "pre-application conferences" at the developer's request to outline requirements and anticipate problems. Furthermore, the Department has organized project review around geographic teams whose members are experts in their planning areas. Applicants are encouraged to make appointments with planners to ensure that applications are complete before they are submitted. Finally, the Department has prepared educational brochures on the development process that are available Countywide.

Recommendation: This program will be retained.

Capacity Development

Evaluation: It was found that infrastructure improvements can only be financed when there are major health risks or as an adjunct to economic development. As a whole, Community Development Block Grant (CDBG) monies have not been devoted to capacity

development but rather housing rehabilitation. One notable exception was a CDBG grant for improving the water system in Pajaro. Development in Castroville is impacted by the lack of allocation from the regional sewage treatment plant. And Chualar and San Ardo need an economic development strategy to pay for sewage treatment improvements.

Recommendation: This program should be coordinated with an economic development strategy, Neighborhood Improvement Plans, and the increased formation of County Service Areas. The program should be directed at Chualar, San Ardo and San Lucas.

Neighborhood Improvement Plans

Evaluation: A neighborhood improvement plan was adopted for Boronda in 1987. The Plan was closely coordinated with the Boronda Redevelopment Plan. For Pajaro and Castroville the Redevelopment Plan acts as a Neighborhood Improvement Plan.

Recommendation: Neighborhood Improvement Plans need to be prepared to foster both economic and housing development. The plan should contain a strong capital improvements component and should be directed at Chualar, San Ardo and San Lucas.

Development Incentives

Evaluation: The Board of Supervisors has waived processing fees for that portion of the project which is affordable to low and moderate income households. The Board has granted density bonuses. Some projects have been exempted from growth limitations presented by road or water constraints. The Board of Supervisors has also given the Planning and Building Inspection Department authority to routinely waive building inspection fees on the Inclusionary Housing portion of the development.

Recommendation: Development incentives for affordable housing have received enthusiastic support from housing developers and the program will be continued.

Goal III. Affordable Housing Programs

Labor Camp Conversions: Cooperative Housing

Evaluation: No labor camps have been purchased by their tenants and converted to cooperative housing. There are many reasons why this is so. First, many existing camps are "overleveraged" with the outstanding mortgage in excess of what the units are worth. Second, many camps have been closed down due to the advanced states of deterioration. A non-profit organization known as the Center for Community Advocacy is now performing tenant mediation services, providing outreach and negotiating repairs in labor camps. The executive director feels that there may be a potential to form a cooperative or a mutual housing association.

Recommendation: Given recent developments in farmworker advocacy, this program should be continued.

New Construction: Rental Housing Multi-Family

Evaluation: No FmHA 514/516 or 515 monies were drawn within the timeframe of this Housing Element. However, the Board of Supervisors approved a development in Chualar in which a non-profit proposed the above financing to develop 70 multi family units. And a private development concern dealing almost exclusively with the above financing is exploring development sites in Pajaro.

Recommendation: Given heightened interest in using this funding, this program should be retained.

Goal IV. Preservation of Housing Stock
Programs

Housing Rehabilitation

Evaluation: This program has been highly successful due to the County's skill in obtaining Community Development Block Grants and State Deferred Payment Rehabilitation Loan Program (DPRLP) Funds. In addition the County was eligible for California Disaster Assistance Program - Ownership (CALDAP-O) and CALDAP-R (Renter) funds. Within the timeframe of this Housing Element 6 units were rehabilitated using CDBG (and an additional 15 units are currently being processed), and 60 units were rehabilitated using DPRLP. The Housing Authority is currently rehabilitating 56 units in the unincorporated area under the CALDAP-O/R. On the CDBG and DPRLP, Inclusionary Housing Funds were used to provide the loan program management funds not provided by the rehabilitation funds.

Recommendation: Continue program using Community Development Block Grants.

Labor Camp Code Enforcement

Evaluation: Code enforcement has resulted in the closure of many labor camps. While this may be beneficial given the condition of the camps, the program displaces many very low income households. The displacement effect is dampened because, as noted above, the Center for Community Advocacy is now performing tenant mediation services and is negotiating repairs in labor camps.

Recommendation: It is necessary to continue the program, but it should be accompanied with a farmworker housing construction program.

Goal V. Prepare Suitable Sites Programs

Inclusionary Ordinance

Evaluation: Since 1985 the on-site requirements of the Inclusionary Housing Ordinance has resulted in 72 for-sale units and 48 rental units for a total of 120 units. It should be noted that rental units are required to be rented at a rate affordable to lower income households while for-sale units can be affordable to low and moderate income households. All inclusionary housing units are deed restricted to be affordable to low and moderate income households for a period of 30 years. The in-lieu fee component of the Inclusionary Housing Ordinance has raised about 1.5 million dollars since 1985. The funds are exclusively directed at the development of very low and low income housing. With the money the Board of Supervisors has funded the development of 222 units in the County's cities and 200 units in the unincorporated area for a total of 422 units.

Recommendation: Continue program with revisions to require 5% on-site for lower income households, 10% on-site for moderate income households for housing developments with 20 units or more for sale; and 5% on-site for very low income households, 10% on-site for lower income households for housing developments with 20 units or more for rent.

Development Incentive Zones

Evaluation: Development Incentive Zones have been the County's best hope for providing suitable sites for multi-family units. Since 1985 the previous Element there have been 160 multi-family rental units constructed in Development Incentive Zones.

Recommendation: Continue existing Development Incentive Zones and expand Development Incentive Zones to Boronda and San Lucas. Prepare more suitable sites in Pajaro.

Vacant Land Inventory

Evaluation: The County is exploring the use of a Geographic Information System to keep track of all unincorporated area land uses. For land owned by the County, a review of surplus vacant indicated no land available that could possibly be used for housing development.

Recommendation: Continue Program and make it part of the GIS when the system is funded and becomes on-line.

Land Bank

Evaluation: The County has not accomplished land banking goals because it is not equipped to broker land for the purpose of housing development. Another entity is required to implement a land banking program.

Recommendation: Continue program, but revise to assist in the formation a non-profit Community Land Trust to implement land banking.

Goal VI. Acquisition of Funds
Programs

Assessment District Bonding

Evaluation: Assessment Districts funds should be leveraged with all other available funds for financing infrastructure in low income communities because community residents are already taxed beyond their means. However if the bonding could be "leveraged" with other funds perhaps this alternative would be more effective.

Recommendation: Continue program but explore bond financing with other available funds.

Housing Finance: Tax Exempt Mortgage Revenue Bonds

Evaluation: The Housing Authority is currently exploring an issue of single family mortgage revenue bonds and will facilitate a bond issue when the bond market improves.

Recommendation: Continue program in case the bond market improves.

Predevelopment Loan Fund

Evaluation: This program has largely been replaced by the Inclusionary Housing Fund

Recommendation: Discontinue program

Housing Finance: FmHa 502

Evaluation: The program is directed to be implemented by the Housing Authority but the funds are available to all developers who meet FmHA construction and price requirements. It is very likely that the use of FmHA 502 funds will continue regardless of Housing Element program directives.

Recommendation: Discontinue as a Housing Element Program but the continued implementation of the program is dependent on the initiative of non-profit and for profit housing developers.

Mortgage Default Counseling

Evaluation: The Housing Authority has provided mortgage default counseling when HUD Funding was available.

Recommendation: Continue program when HUD, or alternative funding sources become available.

Goal VII. Interjurisdictional Cooperation Programs

Housing and Economic Development Coordination

Evaluation: Coordination is currently occurring particularly in redevelopment areas with reference to capital improvements programming and financing, housing rehabilitation funding and Neighborhood Improvement Plans.

Recommendation: Continue program within County Redevelopment Agency and coordinate efforts with City Redevelopment Agencies.

Affordable Housing Action Committee

Evaluation: Committee was created in 1985 and is called the Housing Advisory Committee. The Committee evaluates the use of Inclusionary Housing Funds and advises the Board of Supervisors on housing policies and programs.

Recommendation: Continue program

Interagency Housing Committee

Evaluation: This program has resulted in the Planning and Building Inspection Department's formation of an Interdepartmental Review Committee.

Recommendation: Discontinue program as the Inderpartmental Review Committee has become an integral part of the development review process.

Coordination With Cities: Joint Venture Housing

Evaluation: To date Monterey County has negotiated 12 "fair share" agreements with six of the County's cities when the cities formed a redevelopment district or annexed land. The number of units credited to the County on annexed land is 28.

Recommendation: Continue program working with CAO/Intergovernmental Affairs and LAFCO to develop master fair-share agreements within urban reserve areas and redevelopment areas.

Housing Coordinator

Evaluation: A housing coordinator was hired in 1986 and now administers the Inclusionary Housing Program, initiates housing programs and develops housing policies and updates Housing Plans.

Recommendation: Continue program

Goal VIII. Energy Conservation Programs

Energy Conservation and Assistance

Evaluation: The Housing Authority attempted to implement a paint and weatherization program but funding for this program was not attained. However, the Housing Authority continues to implement this Program through funds provided by Pacific Gas and Electric.

Recommendation: Continue program using redevelopment funds in Boronda under the redevelopment agencies, Neighborhood Improvement Plan.

Goal IX. Accessible Housing Programs

Promote Fair Housing

Evaluation: The County continues to advocate and promote fair housing practices.

Recommendation: Continue program

Security Deposit

Evaluation: The Inclusionary Housing Fund has funded a Revolving Security Deposit Guarantee Program operated by the Monterey County Housing Council for lower income households.

Recommendation: Continue program.

Low Income Rentals: Non Profits

Evaluation: Most of the County's Inclusionary Housing Funds have gone to non-profit developers to develop multi-family rentals.

Recommendation: Continue program and assist in the formation of non-profit organizations to meet the needs for land banking and the development of migrant farmworkers units.

Emergency Shelters

Evaluation: The Department of Social Services is the lead agency to develop emergency shelters throughout the county. The Department has prepared a homeless services plan. The plan anticipates the development of transitional housing, SRO housing, mobile outreach and inclement weather shelter.

Recommendation: Continue programs and incorporate Homeless Services Plan, with particular emphasis on transitional housing as part of the Housing Element.

SUMMARY OF COUNTY HOUSING GOALS, POLICIES AND PROGRAMS

Improvements in the housing situation will require a number of local initiatives: First, the County will need to increase the supply of new homes to meet the demands of first time home buyers. Existing sites will be prepared for development using Federal, State and locally generated funds. New sites will be identified and evaluated. Constraints of the environment and facility limitations will be evaluated and mitigated in target areas. Housing production will be boosted by removing unnecessary obstacles to housing developers and by focusing development and county resources in target areas.

Second, the County will initiate programs to reduce the cost of new homes through efficient use of land. Target areas will be zoned for higher densities. Neighborhood Improvement Plans will outline public improvements needed such as streets and design standards in order to create livable communities.

Third, the County will offer development options for a given piece of land in specific areas. Senior citizen units and residential additions to existing units will be allowed in existing residential areas with fewer restrictions. In target areas, zero lot line and planned unit developments will be encouraged and some site standards will be reduced or waived. The mixed use of ground floor commercial and second story residential will also be allowed in target areas. The County will investigate the use of locally generated funds and will land-bank in order to reduce land costs. The County will help reduce the cost of construction by allowing manufactured homes in the form of mobile or modular homes in existing residential areas. The County will encourage lenders to finance new mobile homes under the same conditions as site built homes. State financing for mobile homes through the California Housing Agency will also be actively petitioned to the State.

Fourth, the County will reduce the cost of regulation particularly in target areas. Developers proposing projects where 25% of the units are for low and moderate income families will be assigned a project coordinator to expedite processing. Costs for permits may be waived in target areas. The environmental review process in target areas can be shortened by preparing a Master Environmental Impact Report for the whole target area. The permit application and review process has been streamlined for all development projects in Monterey County. Streamlining has resulted in reducing permit processing by four to six months.

In addition, the Department of Planning and Building Inspection has initiated a "special handling" process which ensures that certain affordable housing projects are designated for top prior-

ity attention and support necessary to work out special problems or processing obstacles associated with these projects. Special handling projects may involve one or more of several types of applications for rezoning, use permits and/or subdivision. Each special handling project will be assigned jointly to the Housing Coordinator and a project planner for the appropriate geographic area whose skills, abilities and experience are appropriate to the efficient processing of the application. The goal of special handling is to efficiently process and approve those projects which significantly contribute to the affordable housing goals of Monterey County.

Fifth, the County will coordinate its departments with the Housing Authority, the CAO Office Intergovernmental Affairs, community based non-profit organizations and any other designated organizations eligible for State and Federal grants. If the Housing Authority, for example, applied for State or Federal affordable housing funds, coordination will make available information on sewage capacity, economic development efforts and other public improvements planned in the area. A coordinated approach may increase the capture rate of available State and Federal grants and loans. This approach will also maximize the use of public funds applied in one target area but administered by different agencies and organizations.

Finally, the County will assist housing consumers and special population groups in obtaining affordable housing. The County will continue to assist the Housing Authority in providing housing for senior citizens and handicapped. Farm labor housing will be encouraged where health and safety standards can be met and when provided through community based non-profit sponsors.

GOAL I. Housing Supply

To achieve a balanced housing market by increasing the supply of housing units to meet the housing needs of all current and future County residents.

OBJECTIVE

Add a maximum of 5,692 housing units of all types by July 1, 1996 in order to accommodate household growth and maintain a vacancy rate of 4%. New development priorities shall be ranked as follows: multi-family, second units, manufactured single-family, and conventionally built single-family. It is recognized that although the above figure is an identified housing need, the objective may exceed available resources and the County's ability to satisfy this need within the context of County General Plan requirements as outlined in Section 65300 of the State Government Code.

POLICY

1.1 The County shall encourage the development of new housing units varying in cost, design, material composition, and tenure to meet the economic and social needs of existing and future County residents.

PROGRAM(S)

1.1.1 Second Units, Senior Citizen/Caretaker

The Monterey County Zoning Ordinance (Title 21) will allow senior citizen or caretaker units on any lot or parcel in any zoning district that allows single family dwellings, subject to regulation and an administrative permit.

Responsible Agency: Planning and Building Inspection Department

Financing: Permit Fees, County General Fund for processing and staff time.

Objective: To stimulate creation of additional housing for senior citizens and lower income persons and contribute to the new construction goal with 10 housing units per year.

Time Frame: Continuous from 1990.

1.1.2 Manufactured Homes: Location

The Monterey County Zoning Ordinance (Title 21) shall allow manufactured housing (mobile and modular homes) on permanent foundations on any lot or parcel in any zoning district which allows single family dwellings.

Responsible Agency: Planning and Building Inspection Department

Financing: General Fund (Staff time)

Objective: To stimulate the creation of an additional 30 units per year.

Time Frame: Continuous from 1990.

POLICY

1.2 The County shall continue to offer the private developer of affordable housing a wide range of development options in those areas where development is encouraged. These options include small lot zoning, manufactured homes, and accessory apartments.

PROGRAM(S)

1.2.1 Small Lot Zero-Lot-Line Development

The Planning and Building Inspection Department shall prepare approval procedures, zoning standards and regulations for zero-lot-line developments on lots with a minimum size of 3500 sq. ft. in sewered areas. Frontage of small lots shall be a minimum of 40 ft. width. The Department will formulate a zero-lot-line development alternative with appropriate design and site standards and add such to the zoning ordinance.

Responsible Agency: Planning and Building Inspection Department

Financing: General Fund (Staff time)

Objective: Reduce land costs by allowing single-family homes on smaller lots to yield 25 homes per year.

Time Frame: **By January 1993**

1.2.2 Manufactured Homes: Subdivisions

The County shall encourage development of manufactured home subdivisions. The Planning and Building Inspection Department shall identify those areas where manufactured home subdivisions would be most appropriate.

Responsible Agency: Planning and Building Inspection Department

Financing: General Fund (Staff time)

Objective: Ensure adequate sites for manufactured homes and contribute to the new construction goal with 50 housing units per year.

Time Frame: **By July 1993.**

1.2.3 Single-Family - Accessory Apartment

The Planning and Building Inspection Department shall prepare a recommendation for adopting an accessory apartment ordinance. Accessory apartments are defined as small areas within, or attached to, the single-family dwelling (primary unit) and which can be, or have been, converted into another dwelling unit. Accessory apartments must be established with an application which is separate from the primary unit. Accessory apartments can be attached to the living area or be within the structure of a single-family home and shall be no larger than 850 sq. ft. Such units must be connected to a sanitary sewer, or must meet Health Department requirements pursuant to the Senior Citizen Housing Ordinance for proper sewage disposal. The owner must reside in one of the units, and the other unit must be affordable to a lower income household either by direct rents or through Section 8. The unit cannot be converted into a commercial establishment such as a bed-and-breakfast unit and the unit can never be sold as a separate unit.

Responsible Agency: Planning and Building Inspection Department

Financing: General Fund (Staff time)

Objective: Create housing opportunities for renters~~, large families~~ and senior citizens, 20 homes per year.

Time Frame: Adopt Ordinance ~~December~~ **July** 1993.

1.2.4 Mixed Use Development: Development Incentive Zone

To increase the supply of affordable housing in Development Incentive Zones, the Planning and Building Inspection Department will continue to allow residential units in areas zoned commercial. Specific zoning and infrastructure requirements of such development will be identified during project review. These areas will continue to be classified as a permitted use in commercial zoning district.

Responsible Agency: Planning and Building Inspection Department

Financing: General Fund (Staff time)

Objective: Allow the production of residences in those urbanized areas designated as commercial with a yield of 10 units per year.

Time Frame: Ongoing

GOAL II. New Construction Support

To enable the construction of new units by providing the appropriate level of supportive services in those areas where development is desired.

POLICY

2.1 The County shall continue to expedite the development process to developers of housing for all income levels by planning for the improvement of target areas and shall direct appropriated funds to increase water and sewer capacities within those areas.

PROGRAM(S)

2.1.1 Streamlined Development

The Planning and Building Inspection Department has recently completed application procedure time standards and the reduced process time by six months. It is anticipated that continued attention to streamlined processing and review will increase the number of units through subdivision and increase development on the County's existing lots of record and housing target areas. The County shall continue to implement the above as part of adopted policy.

Responsible Agency: Planning and Building Inspection Department

Financing: General Fund (Staff time)

Objective: Accelerate provision of housing on developable sites to contribute to the new construction goal.

Time Frame: Ongoing

2.1.2 Capacity Development

The Board shall direct the staff of the Water Resources Agency, Public Works Department, Planning and Building Inspection Department, and Health Department to precisely review the Pajaro, Chualar, Castroville, San Ardo, **Boronda and San Lucas** areas for existing sewer capacity/constraints and additional work/cost needed to correct and increase sewer capacity. The County will

undertake those actions necessary to secure funding to increase capacity and shall coordinate economic development plans with the goals of this Element.

Responsible Agency: CAO/ Office of Intergovernmental Affairs

Financing: Community Development Block Grants, Assessment District Revenues, Farmers Home, State Clean Water Grant Program

Objective: Provide for the studies necessary to locate points of waste inflow into the sewage collection system. Correct the pipelines to eliminate inflow and increase the capacities of the collection system.

Time Frame: Grant attained by the end of 1992. Project completion by end of 1993.

2.1.3 Neighborhood Improvement Plans

The Board of Supervisors shall direct the Planning and Building Inspection Department and CAO/Office of Intergovernmental Affairs to prepare a neighborhood improvement plan for Pajaro, Castroville, Chualar, San Ardo and San Lucas. Such plans shall contain a five-year capital improvement program and development standards for the types of development prescribed in other Housing Element programs, and a Master Environmental Assessment for each Development Incentive Zone. The County shall require that all new development within Development Incentive Zones be subject to design review which shall consider landscaping, the concept of defensible space*, energy efficiency, solar access, materials, color, building height/mass, appropriate sites for mixed use developments and zero lot-line developments.

Responsible Agency: Planning and Building Inspection Department/CAO/Office of Intergovernmental Affairs

Financing: General Fund (staff time); Inclusionary Housing Funds, CDBG

Objective: To ensure the coordination of all public improvement efforts and foster livable high density communities.

Time Frame: December 1993, if funding is available.

2.1.4 Special Handling of Affordable Housing Projects

The County of Monterey shall give top priority in processing those projects which provide at least 25% affordable housing. The Director of Planning and Building Inspection shall, as appropriate, designate such projects for "Special Handling". Each special handling project will be assigned jointly to the Housing Coordinator and a project planner for the appropriate geographic area whose skills, abilities and experience are appropriate to the efficient processing of the application. The Housing Coordinator will be involved with the special handling project through every aspect of the process and will assist the project planner in project review, interdepartment review, environmental review, formulation of conditions for approval, staff report preparation and public hearings. The Housing Coordinator and project planner will jointly attend all meetings held to discuss and/or review the application.

Top priority will also be given to special handling projects by supervisory and management personnel when processing problems or obstacles are brought to their attention. In weekly staff meetings, the Chief of Planning Services will receive progress reports on special handling projects from the Housing Coordinator and project planner and their respective supervisors. For interdepartmental or interagency processing problems and obstacles which cannot be resolved by the Department, the Director will ask the Assistant County Administrative Office/Intergovernmental Affairs to mediate. The Director will provide monthly reports on all special handling projects to the County Administrative Officer and Assistant County Administrative Officer/IGA. The reports will describe the progress of the project in the process and will note special problems or issues associated with the project. In addition, progress of special handling projects will be described in the Department's quarterly report to the Board of Supervisors.

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*A concept introduced by Oscar Newman in his book Defensible Space (New York: McMillan, 1972), which stresses the need for proper design of dwelling units and common spaces to reduce crime.

After action by the decision making body, preparation and distribution of the resolution setting forth the project decision shall receive top priority from the Department. When processing is completed and a special handling project has been acted upon, the Director will so notify the County Administrative Officer and Assistant County Administrative Officer/IGA. Prior to and during construction, special handling projects shall receive top priority within the Building Inspection Division, including plan check and all phases of field inspection.

Responsible Agency: Planning and Building Inspection Department.

Financing: General Fund (Staff time)

Objective: To allow projects providing a higher level of affordable housing than required in the Inclusionary Housing Ordinance to have priority. Also, to provide a process which ensures that certain affordable housing projects are given the priority attention and support necessary to work out special problems or processing obstacles associated with these projects.

Time Frame: Ongoing

2.1.5 "Blue Ribbon Committee" for Affordable Housing

The Board of Supervisors shall form a panel of experts on the County development process into a "Blue Ribbon Committee" to review development regulations and procedures with an aim toward the development of affordable housing. Members of the Committee should consist primarily of representatives of the housing development industry.

Responsible Agency: Planning and Building Inspection Department/Zoning Administrator.

Financing: General Fund (Staff time)

Objective: Review current County housing development process and make recommendations to the Board of Supervisors on changes that will improve the process on behalf of affordable housing developments.

Time Frame: **Appoint Committee by June 1992**

POLICY

2.2 The County shall continue to provide incentives to developers of low-and-moderate income housing. Incentives may include density bonuses, waiver of land or fees required for public purposes, waiver from environmental and facility limitations, flexibility of development standards, issuance of assessment district and improvement district bonds for infrastructure improve ments, use of publicly generated funds to reduce development costs, and any other incentive specified by the existing Inclusionary Housing Ordinance.

PROGRAM(S)

2.2.1 ~~Incentives~~Development Incentives Plan for Affordable Housing

The County shall continue to provide incentives to developers of low-and-moderate income housing through the Development Incentives Plan. The purpose of the Development Incentives Plan is to encourage developers to build affordable housing by lowering development costs. The Plan includes all the incentives currently provided through existing law and County Ordinance. These include State law on density bonuses, and the Inclusionary Housing Ordinance. Additional incentives are provided in the form of fee reductions and waivers and other Departments and Agency actions on behalf of affordable housing projects such as "Special Handling" P rogram 2.1.4) and acceptance of roads into the County road system. At the 25% or more affordability level, fees will be reduced by the same percentage as the percentage of affordable units. Fee waivers will apply when a project is 100% affordable.

Definition of Affordable Housing

In order to qualify for the Development Incentive Plan, a project must consist of seven or more units and the number of affordable units in a proposed project must be 25% or more of the total units in the project. Additionally, the mixture of affordable units within a project shall be defined as follows:

An "affordable" for-sale housing project is a project in which the required percentage of "affordable" units must be priced so that a minimum:

1. 50% are affordable to lower income households (income up to 80% of HUD median household income for Monterey County) and

2. 50% are affordable to moderate income households (income between 80%-120% of HUD median household income for Monterey County).

An "affordable" rental housing project is a project in which the required percentage of "affordable" units must be rented so that a minimum:

1. 50% are affordable to very low income households (income up to 50% of HUD median household income for Monterey County). Rent levels must be 30% of 50% of the HUD median household income, adjusted for household size; and

2. 50% are affordable to lower income households (income between 50%-80% of HUD median household income for Monterey County). Rent levels must be 30% of 80% of the HUD median household income, adjusted for household size.

All units defined as affordable must be rendered permanently affordable by deed restriction in the manner prescribed for Inclusionary Units by the Inclusionary Housing Ordinance.

State Density Bonus Law

The County will consider density bonuses in accord with State density bonus law. The law currently stipulates that local jurisdictions provide a minimum 25% density bonus when 20% of the units in the project are for lower income households or 10% of the units are affordable to very low income households. As an alternative to the density bonus, State law stipulates that a local jurisdictions may provide financial incentives of equal value. Density bonuses will be considered in areas with sewer capacity and in areas where densities may be increased without lowering health and safety standards.

Inclusionary Housing Ordinance

The Inclusionary Housing Ordinance specifies waiving of building permit fees (18.40.040 (H) (2)) for the Inclusionary portion (15%) of the project. In addition, the Ordinance states that developers may seek to reduce development costs by requesting that the Board consider "waiving exactions of land or fees required of developers for other public purposes. "

The Inclusionary Housing Ordinance also permits density bonuses independent of State provisions. The Ordinance defines a density bonus as "an increase in the number of residential units authorized for a particular parcel beyond that which is permitted under existing general plan, area plan, master plan, coastal land use plan and/or zoning..." The Ordinance also states that "Where higher densities can be supported they shall be allowed."

Actions by County Departments

Below is a list of specific incentives offered by each County Department as part of the Development Incentives Plan. These actions include fee waivers and reductions, selective acceptance of roads into the County road sytem, and selective reductions in the frequency of testing sewage treatment systems and the monitoring of drainage facilities.

Planning and Building Inspection Department

Special Handling

The Special Handling process, as approved by the Board of Supervisors, ensures that certain affordable housing projects are given the priority attention and support necessary to work out special problems or processing obstacles associated with these projects. The Planning and Building Inspection Department has the primary responsibility for implementing this procedure. All other County Departments and Agencies involved with reviewing development have reported that they will cooperate in the special handling procedure. Projects qualifying for the Special Handling Procedure must meet the minimum definitions of affordable as specified above. Making Special Handling a part of the Development Incentives Plan modifies the Special Handling procedure slightly in that previously 25% of the units could be for moderate income households; now projects qualifying must meet base affordability standards as defined above (see Definition of Affordable Housing).

Revolving Loans for Environmental Impact Reports

For projects of seven units or more with 100% affordable housing, as defined, there may be consideration of a secured loan from the Inclusionary Housing Fund to pay for any required Environmental Impact Report. The loan must be repaid upon recording of the final map if the project is approved. If the project is not approved, then the loan must be repaid according to a schedule to be determined by the County.

Special Studies and Reports

To reduce development costs, the Planning and Building Inspection Department will give close scrutiny to requirements for special project related reports such as archaeological, soils, and geologic reports in order to evaluate whether adequate information already exists in the area in which the affordable project is located. If adequate information exists, the Director of the Department will consider waiving the requirements for such reports in areas outside of the Coastal Zone.

Fee Waivers or Reductions		Fees in Dollars

At the 25% or more affordable level, the following fees will be reduced by the same percentage as the percentage of affordable units. Fee waivers will apply when a project is 100% affordable.

Building Permit Fees	As determined by project value	
Coastal Development Permit		$ 466
" " "	Major	1,397
Final Subd. Map Processing		203
General Plan Amendment		1,553
Initial Study		236
Landscape Plan Review		50
Minor Subdivision		1,397
Pre-Application Conference	(Waived at 25%)	135
Preliminary Map		466
Rezoning		1,397
Tentative Map		2,700 + $27/lot
Use Permit		466
Use Permit Major		1,397
Vesting Minor Subdivision		2,093
Vesting Tentative Map		4,050 + $41/lot
Design Review		
o Less than 1,000 sq. ft.		75
o 1,000 to 2,000 sq. ft.		125
o More than 2,000 sq. ft.		200
Lot Line Adjustment		466
Lot Line Adjustment (Major)		1,397
Preliminary Project Review Map (CVMP)		2,700 + $27/lot
Preliminary Project Review Tentative	Map (CVMP)	2,025 + $20/lot
Variance		466

Public Works

Fee Waivers or Reductions	Fees in Dollars

At the 25% or more affordable level, the following fees will be reduced by the same percentage as the percentage of affordable units. Fee waivers will apply when a project is 100% affordable.

Final Subdivision Map	$1,000
Per Lot Processing	100
Improvement Plan Checking Fee	60
less than 10,000 sq. ft.	60/1000 sq. ft.
more than 10,000 sq. ft.	40/1000 sq. ft.
Traffic Impact Fee	Varies

Acceptance of Roads

For Farmers Home Administration projects (which are 100% affordable) developed under the Section 502 Program, the Department of Public Works will consider acceptance of roads into the county road system if the roads:

1) are designed and constructed to County public road standards and that project engineers work with Public Works Staff to ensure that minimal traffic designs standards are met and traffic safety is not compromised, and

2) are built within a right-of-way dedicated to the County.

The Department of Public Works together with LAFCO will also consider the use of a County Service Area rather than homeowner associations to finance the maintenance of roads. The CSA will contract with the Public Works Department to provide maintenance.

Health Department

1) Priority Processing for affordable housing projects
2) Minimize amount of testing for sewage disposal

Water Resources Agency

1) Reduce or waive annual costs to homeowners of monitoring of drainage facilities
2) Recommend that the Board of Supervisors amend Ordinance #3496 (establishing a North County Water Impact Fee) to reduce or exempt fees for affordable housing.
3) Other fee reductions or waivers may be considered by the Board of Supervisors.

Parks Department

Recreation In-lieu Fees

The Parks Department will reduce the Recreation In-lieu fee in accord with the percentage of affordable (as defined in the Development Incentives Plan) units in the project and will waive the fee for 100% affordable projects.

Monterey County Redevelopment Agency

Housing Set-Aside Funds

For qualified projects proposed in the County Redevelopment Areas of Castroville, Pajaro and Boronda, housing set-aside funds are

potentially available to assist in meeting adopted redevelopment plan goals for affordable housing.

County Administrative Office-Intergovernmental Affairs

Community Development Block Grant

Community Development Block Grant (CDBG) funds are available from the State of California to provide housing for very low and low income households. The funds and be used to help finance infrastructure costs as well as housing rehabilitation programs for substandard housing. The CDBG program has a maximum of $500,000 available to jurisdictions on competitive basis.

~~The County will continue to provide incentives to developers of projects containing units affordable to lower income families. The incentives offered apply only to projects which will have deeds which restrict 20% of the housing on site to be affordable to lower income households, or 10% afforable to very low income households or 50% for seniors with rent or sales levels as defined by State Government Code Section 65915. Developers of said projects shall be eligible for the following additional incentives:~~

~~1. "Fast-track" priority processing to reduce holding costs.~~

~~2. Waiver or reduction of certain processing and permit fees including: use permit fees, rezoning fees, preliminary and tentative map fees, final map fees, General Plan amendment and processing fees.~~

~~3. Flexibility on development standards including:~~

~~a) setback and yard requirements to allow zero lot line development,~~

~~b) covered parking requirements, and~~

~~c) lot size requirements~~

~~4. Consideration of additional 1.25 market rate units for every below market rate unit for projects containing 20% or more lower income units or 10% or more very low income units or 50% or more units for seniors in accord with State density bonus law, or the County will provide other financial incentives of equal financial value.~~

Responsible Agency:	Planning and Building Inspection Department
Financing:	General Fund (Staff time)
Objective:	To provide affordable housing by reducing development costs.
Time Frame:	Ongoing

GOAL III. Affordable Housing

To provide affordable housing opportunities for all segments of the County's current and projected population, with particular emphasis on lower income households, farmworkers, female-headed households, large family households, the elderly, and the handicapped.

OBJECTIVE

Provide for availability of 2,903 housing units affordable to very low and low income households by July 1, 1996 and meet the current and future needs of lower income farmworker, elderly, large family, female-headed, and handicapped households, and lower income households in general.

POLICY

3.1 The County shall continue and expand the use of federal and state housing assistance programs as they become available to assist groups with special housing needs.

PROGRAM(S)

3.1.1 Labor Camp and Mobilehome Park Conversion: Cooperative Housing/Mutual Housing Associations

The Board of Supervisors shall direct the Planning and Building Inspection Department and Health Department to evaluate existing farm labor camps for potential conversion into cooperative housing, Mutual Housing Associations, or purchase by non-profit housing developers. In accord with this program, labor camps shall be evaluated for livability levels, size and location. Those sites appropriate for conversion into separate parcels may be subdivided if application is made by farm labor residents or their designee and provided that cooperative housing is constructed or rehabilitated exclusively for farm laborers. The Board shall encourage qualified tenant organizations or non-profit housing developers to acquire and secure HUD Section 213 Funds, State Mobile Home Park Purchase Funds and other appropriate funds to enable conversion of private farm labor camps into cooperative housing or mutual housing association developments within the time frame of this Housing Element.

Responsible Agency: Planning and Building Inspection Department/Non-Profit Sponsor

Financing: HUD Section 213 mortgage insurance, new construction and rehabilitation loans, County Inclusionary Housing Fund, Farmworker Grant Program, Mobile Home Park Purchase Program

Objective: Work with Center for Community Advocacy to improve living conditions for a minimum of 30 farmworker households annually

Time Frame: Fund acquisition to begin upon adoption of Element.

3.1.2 New Construction: Rental Housing Multi-family.

The Board of Supervisors shall actively encourage the Housing Authority Board of Commissioners and the Executive Director of the Housing Authority to apply for and acquire Farmers Home 514/516 and construct rental housing for families and Farmworkers within Development Incentive Zones.

Responsible Agency: Monterey County Housing Authority

Financing: FMHA 515/516 - $500,000

Objective: FMHA 515/516 - 20 units per year

Time Frame: Apply for grants in 1992, construct units by 1995

3.1.3 Mortgage Credit Certificate Program

Monterey County intends to continue its Mortgage Credit Certificate (MCC) Program to assist first-time homebuyers in the purchase of homes in Monterey County.

Responsible Agency: Monterey County Housing Authority

Objective: Issue 50 ~~100~~ certificates annually~~, 50 percent~~ to low and moderate income households

Time Frame: Ongoing

3.1.5 Section 8 - Existing Housing Voucher Program

The County intends to continue using this tenant-based rent assistance program which provides a specific subsidy to any contract unrelated to a tentant's ability to pay.

Responsible Agency: Monterey County Housing Authority

Financing: HUD

Objective: 23 units with an annual growth rate of 5% of current allocation

Time Frame: Ongoing

3.1.6 Shared Housing

The County intends to contribute Inclusionary Housing Funds to a non-profit agency which is formed to assist seniors or single parent families in Monterey County that wish to reduce housing costs through shared living arrangements.

Responsible Agency: Planning and Building Inspection Department, Non-Profit Organizations (Alliance on Aging)

Financing: Inclusionary Housing Fund

Objective: Assist 100 County residents annually

Time Frame: December 1992

GOAL IV. Preservation of Housing Stock

To ensure that the County's stock of existing dwelling units is conserved and improved to meet necessary health and safety requirements.

OBJECTIVE

Rehabilitate 90 substandard and deteriorating units per year by January 1, 1996.

POLICY

4.1 The County shall undertake programs to rehabilitate existing deteriorating units while maintaining their affordability.

PROGRAM(S)

4.1.1 Housing Rehabilitation: Homeownership and Rental Assistance

The County shall continue the use of Federal, State and local funds to provide low interest loans for housing rehabilitation to low and moderate income homeowners and renters.

Responsible Agency: Monterey County Housing Authority

Financing: State Deferred Payment Rehabilitation Loan Program -- $100,000 per year, CALDAP-R-O, Community Development Block Grant, HUD Rental Rehabilitation Program.

Objective: Provide for the rehabilitation of 50 housing units per year.

Time Frame: Fund acquisition to begin upon Element adoption.

4.1.2 Rental Rehabilitation Program

The County intends to apply for funds for this program which provides a resource to correct code violations in rental units targeted for low and moderate income households in the Monterey County.

Responsible Agency: CAO/ Office of Intergovernmental Affairs, Housing Authority, other

subcontractors

Financing: Department of Housing and Urban Development (HUD) (CDBG) as available.

Objective: Assist in the rehabilitation of 30-40 units annually in the Monterey County, particularly Pajaro - 253 units; Boronda - 196 units and Castroville - 229 units

Time Frame: ~~July 1, 1996~~ February 1, 1993

4.1.3 California Housing Rehabilitation Program for Owners (CHRP-O)

The County intends to apply again for the CHRP-O which provides low interest deferred loan to $30,000 for single family housing rehabilitation for low income households.

Responsible Agency: Monterey County Housing Authority, Non-Profit Organizations

Financing: California Housing Rehabilitation Program for Owners (CHRP-O)

Objective: Provide loan assistance to as many unincorporated area homeowners as resources permit

Time Frame: Ongoing

4.1.4 Monterey County intends to apply again for the CHRP-R which provides low interest loans up to $100,000 for the rehabilitation of rental units occupied by low income households.

Responsible Agency: Monterey County Housing Authority, Non-Profit Organizations

Financing: California Housing Rehabilitation Program for Renters (CHRP-R)

Objective: Provide loan assistance to as many unincorporated area owners as resources permit

Time Frame: Ongoing

POLICY

4.2 The County shall establish incentives to encourage ongoing housing maintenance while preserving affordability.

PROGRAM(S)

4.2.1 Labor Camp Code/Employee Housing Act Enforcement

The County Board of Supervisors shall direct the Planning and Building Inspection Department to place a high priority on enforcing building code violations on privately owned labor camps located on land designated "agricultural." In cases of persistent non-compliance, the Board of Supervisors will instruct the County Tax Assessor to prohibit full depreciation value of such units according to Section 17299 of the Taxation and Revenue Code and will refer such camps to the Health Department to suspend or revoke the labor camp operating permit, and order such camps closed.

The Planning and Building Inspection Department and the Division of Environmental Health shall make joint inspections to address all violations and will take actions necessary to enforce appropriate Building Code violations, State Health and Safety Code Section violations, particularly violations of Health and Safety Code Sections known as the "Employee Housing Act."

Monterey County shall support efforts by the Center for Community Advocacy to mediate in actions which will result in displacement of existing tenants.

Responsible Agency: Planning and Building Inspection Department and Division of Environmental Health

Financing: General Fund (Staff time);**Inclusionary Housing Fund, Community Development Block Grants, Redirection of fines toward rehabilitation**

Objective: Improve living conditions in labor camps and improve 50 units per year

Time Frame: Ongoing

GOAL V.

To locate and prepare for development a continuous supply of suitable sites for affordable housing.

POLICY

5.1 The County shall continue the use of its Inclusionary Housing Ordinance making necessary adjustments as evidence warrants to ensure economic accuracy in its implementation.

PROGRAM(S)

5.1.1 Inclusionary Housing Ordinance: On-site Lower Income Unit Requirement

Program Statement: The County will revise and continue to implement its Inclusionary Housing Ordinance. The Ordinance will require that almost all new residential development in the County contribute to the provision of low and moderate income housing. The Ordinance requires that for proposed projects with seven or more units, 15% of the projects units must be affordable to low and moderate income families. This requirement can be met by providing affordable units on-site or within the same Planning Area. The County also applies resale or rent level restrictions on inclusionary units and on homes built on lots secured in place of units. The aim of this action is to discourage first-buyer speculation on affordable opportunities. The County has had these ordinance conditions in effect since 1985 and will periodically re-evaluate the yield in affordable units and the level of in-lieu fees in order to assess the program's effectiveness in providing affordable units.

Because of the importance of the Inclusionary Housing Ordinance in contributing to low-and-moderate income housing units and locally generated funds, the Board of Supervisors shall direct the Planning and Building Inspection Department to revise the conditions of the Ordinance to require a minimum of 5% on-site unit requirement affordable to lower income households for projects of 20 units or more.

Responsible Agency: Board of Supervisors, Planning and Building Inspection Department

Financing: General Fund (Staff time)

Objective: Based on the past annual number of building permits issued, future yields of inclusionary units or equivalents should yield a projected 25 lower income units per year.

Time Frame: Board of Supervisors to consider amendment to Inclusionary Ordinance Fall 1992.

POLICY

5.2 The County will continue to rely on Development Incentive Zones for the location of affordable housing. As current DIZ's are designated, new DIZ study areas will be studied and evaluated for future designation.

PROGRAM(S)

5.2.1 Development Incentive Zones (DIZ)

The County shall continue to designate Pajaro, Castroville, Chualar, and San Ardo as Development Incentive Zones. In so, doing these areas shall be designated or redesignated for densities from 10-20 units per acre as well as for other planning, environmental and public improvement efforts which would increase capacities while fostering high standards of livability. Within DIZ's, any development project in which 100% of the units are permanently affordable (deed restricted) to lower income households shall be exempt from minimum density standards and shall be granted densities up to 20 units per acre.

Responsible Agency: Planning and Building Inspection Department

Financing: General Fund (Staff time)

Objective: 50 units per year affordable to very low and lower income households.

Time Frame: Ongoing

5.2.2 New Development Incentive Zone Designation

Monterey County shall designate San Lucas and Boronda as Development Incentive Zones. The Planning and Building Inspection Department and the CAO/ Office of Intergovernmental Affairs will prepare Neighborhood Improvement Plans discussing the potential for capacity development, high density residential development, and land use designation as "High Density Residential" 10-20 Dwelling units per acre.

Responsible Agency:	Planning and Building Inspection Department/CAO/ Office of Intergovernmental Affairs
Financing:	General Fund (Staff time); Inclusionary Housing Fund
Objective:	To investigate the long term supply of housing sites in the unincorporated area
Time Frame:	Preparation of preliminary feasibility studies by December 1993, if funding is available.

POLICY

5.3 The County shall continually monitor the availability of vacant land for affordable housing sites or for the purpose of land banking.

PROGRAM(S)

5.3.1 Vacant Land Inventory

The County Planning and Building Inspection Department will, when fully funded and established, use its Geograhic Information System (GIS) to keep an inventory of vacant land in DIZ's and vacant publically owned surplus land and land obtained through the Inclusionary Housing Ordinance. The inventory will be made available to the Housing Authority, non-profit housing development corporations, and affordable housing developers.

Responsible Agency:	Planning and Building Inspection Department
Financing:	General Fund (Staff time)
Objectives:	Provide new sites to increase housing supply and secured options on land which can be sold or traded

for more suitable sites.

Time Frame: December 1994

5.3.2 Land Bank

The Board of Supervisors shall support the efforts to organize a non-profit Community Land Trust to be the land bank coordinator. It shall recommend alternative proposals for purchase, trade or sale of land suitable for lower income housing development in order to obtain land which can be use for affordable housing purposes.

Responsible Agency: Planning and Building Inspection Department/Non-profit Community Land Trust

Financing: Inclusionary Housing Fund

Objective: Provide incentives for County residents to organize founding board members and to provide start up costs for organization

Time Frame: Program to begin upon adoption of the Element

5.3.3 Residential Development Data

The Board of Supervisors shall facilitate the monitoring of housing activity throughout the County. Monthly and quarterly summaries of residential development activity will allow individual or agency to acquire current information regarding the type, location and number of housing units built.

Responsible Agency: Monterey County Planning and Building Inspection Department

Financing: General Fund (Staff time)

Objective: To provide current information concerning residential development activity on a continuous basis

Time Frame: Ongoing

5.3.4 Study of Lands Having Minimal Agricultural Viability for Sites for Affordable Housing

The Board of Supervisors will direct the Planning and Building Inspection Department to study lands having minimal agricultural viability for sites with affordable housing as defined within this Element and to assess the potential impact on the environment and on

existing General Plan and Area Plan Policies.

Responsible Agency:	Planning and Building Inspection Department
Financing:	General Fund/Community Development Planning Grants/Inclusionary Housing Fund
Objective:	To address those affordable housing needs which, over time, may not be addressed by other Housing Element strategies and programs.
Time Frame:	The Planning and Building Inspection Department shall provide a report on the work program regarding this study to the Board of Supervisors in approximately six months after the adoption of the Housing Element. This schedule is contingent upon no major increase in the current Department staff workload.

GOAL VI.

To promote the effective acquisition of Federal and State housing funds. And to generate funds locally for the development and acquisition of affordable housing.

POLICY

6.1 The County shall use its non-profit agency status to issue bond financing and to acquire and manage other locally generated funds.

PROGRAM(S)

6.1.1 Assessment District Bonding

In the aftermath of Proposition 13 the County has but a few alternatives to finance public facilities--particularly sewer facilities. One of the most promising of the options remaining is the formation of assessment districts.

The 1911, 1913, and 1915 Bond Acts, as well as other bond acts, allow the County to raise money through creation of assessment districts. Debts incurred by the County could be underwritten and eventually repaid by residents within the district. There are a number of particular requirements involved with creation of assessment districts, but the primary requirement is that assessments be in direct proportion to benefits received.

This financing tool has been used with much success in other California counties. The County Counsel shall investigate the potential of this financing mechanism and shall direct the County staff to evaluate the necessity to create such districts in relation to the five-year capital improvement plans shown in the Neighborhood Improvement Plans. Bond issuance and assessment district formation shall be considered in addition to all other potential public funding sources which have been investigated and requested.

Responsible Agency: CAO/ Office of Intergovernmental Affairs

Financing: General Fund (Staff time)

Objective: Allow locally generated funding to fill the gap left by reduction of Federal and State aid to yield 50 housing units per year

Time Frame: Report to Board of Supervisors by December 1993

6.1.2 Housing Finance: Tax Exempt Mortgage Revenue Bonds: Multi-Family/Single-Family

The Board of Supervisors shall actively encourage the Housing Authority Board of Commissioners and the Housing Authority Executive Director to prepare an issue of Tax Exempt Mortgage Revenue Bonds for financing housing construction for low to moderate income households. A portion of bond financing shall be made available for construction of housing in Development Incentive Zones or in areas negotiated with cities under the Joint Venture Housing Program

Responsible Agency: Monterey County Housing Authority

Financing: Inclusionary Housing Fund and General Fund Staff time for 10 million dollar bond issue (2 million per year)

Objective: Enable the construction of housing units for low and moderate income households to yield 50 housing units per year.

Time Frame: First actions upon adoption of this Element with annual status reports

6.1.3 Monterey County Inclusionary Housing Fund

Given the tenuous nature of CDBG funding levels, the Board of Supervisors intends to pursue all other viable options, both public and private, for funding new housing construction, acquisition and rehabilitation of housing for low and moderate income residents. The Inclusionary Housing Fund serves as a source of housing funds exclusively for the development of <u>lower income</u> housing and is independent of federal budget allocations.

Responsible Agency: Planning and Building Inspection Department

Financing: Inclusionary Housing Fund

Objective: A consistent reliable source of funds for low income housing.

Time Frame: Ongoing

6.1.4 Linkage Fees for Commercial/Industrial Development

The Board of Supervisors will direct the Planning and Building Inspection Department and County Counsel to study the legal and economic feasibility of requiring a linkage fee for all industrial and commercial development in the Rancho San Juan ADC.

Responsible Agency: Planning and Building Inspection Department

Financing: Inclusionary Housing Fund/Rancho San Juan Specific Plan Financing/Developers of Commercial and Industrial Property in the Rancho San Juan ADC.

Objective: The fee is intended to provide for affordable housing as defined in this Element and promote a jobs/housing balance within the ADC and create housing affordable to lower income families beyond that required by the Inclusionary Housing Ordinance.

Time Frame: The Planning and Building Inspection Department shall provide a report on the work program regarding this study to the Board of Supervisors within one year after the adoption of the Housing Element. This schedule is contingent upon no major increase in the current Department staff workload.

POLICY

6.2 The County shall encourage programs which will assist homeowners facing financial problems to continue meeting their mortgage obligations

PROGRAM(S)

6.2.1 Mortgage Default Counseling

The Board of Supervisors shall actively encourage the Housing Authority Board of Commissioners and the Housing Authority Executive Director to provide homeownership and tenant counseling for those households experiencing problems in budgeting, money management, and buying and maintaining a home-particulary those homes which are HUD assisted or insured.

Responsible Agency:	Monterey County Housing Authority
Financing:	Inclusionary Housing Fund; HUD Funds
Objective:	Assist homeowners and tenants to improve their housing conditions and meet financial responsibilities for housing.
Time Frame:	December 1992

GOAL VII. Interjurisdictional Cooperation and Coordination

To provide for the countywide and regional coordination of affordable housing and related community and economic development activities between the County departments and between the County and City governments, citizen groups, and the private sector.

POLICY

7.1 The County shall require coordination of affordable housing improvements and economic development efforts.

PROGRAM(S)

7.1.1 Coordination Between Housing and Economic Development

Program Statement: The County shall acquire and use all State and federal assistance to the fullest extent possible as such funding sources become available. The Board of Supervisors authorize the coordination between Planning and Building Inspection Department and the Office of Intergovernmental Affairs Staff in preparing Master Tax Transfer Agreements with cities. These Agreements must be based on a current Fiscal Impact Analysis so that such Agreements are mutually beneficial and will lead to affordable housing construction within cities.

Responsible Agency:	Planning and Building Inspection Department, CAO/Office of Intergovernmental Affairs
Financing:	Inclusionary Housing Fund; EDC Grants; General Fund (Staff time)
Objectives:	Ensure coordinated approach in negotiating Tax Transfer and "New Constuction Goals Reallocation" agreements.
Time Frame:	Begin upon adoption of this Element.

7.1.2 Housing Advisory Committee

The Board of Supervisors shall continue to encourage those County residents active in and knowledgeable of housing issues to particpate in the Housing Advisory Committee. The composition of this committee shall include, but not be limited to representatives from economic and financial institutions, the media, low income housing advocates and builders/developers. The executive directors of non-profit housing developers such as the Housing Authority, CHISPA, and the afford-

able Housing Corporation should also participate on this Committee. A staff member from the Planning and Building Inspection Department shall serve as staff to the Housing Advisory Committee.

The function of the Committee shall be:

1) Advise the Board on Housing Policy and Program development.

2) Review and recommend expenditures of the Inclusionary Housing Fund.

3) Review and recommend expenditure proposals for the above funds by private and non-profit housing developers and make Housing Element consistency determinations.

4) Review the combined annual reports of those agencies which carry out Housing Element.

Responsible Agency: Planning and Building Inspection Department

Financing: General Fund (Staff time)

Objective: Regulate and coordinate the expenditure of housing funds in accordance with the programs contained in this Housing Element.

7.1.3 Coordination with Cities: Joint Venture Housing

The Board of Supervisors shall direct County Counsel, CAO/Office of Intergovernmental Affairs, the Planning and Building Inspection Department to work with the cities, the Association of Monterey Bay Area Governments, and LAFCO to determine the final parameters of appropriate joint venture agreements between the Countuy and cities. Cities shall be included in the Joint Venture Program negotiations prior to request for sphere of influence studies or annexation proposals. The County shall consider a wide range of options in the negotiation process. These include:

1) County programs which could be applied, or which could contribute to County lower income housing goals.

2) Consideration of the fiscal impact of increased lower income housing developments on the cities through an accurate Fiscal Impact Analysis

In each case, the negotiations shall result in a reallocation to the cities of a specific number of units for all income levels, which the County can subtract

from its allocation of the Regional New Construction Goal. The goal is determined by the Association of Monterey Bay Area Governments and the State Department of Housing and Community Development for the period up to July 1, 1996.

Responsible Agency: County Counsel, CAO/Office of Intergovernmental Affairs, Planning and Building Inspection Department, LAFCO

Financing: General Fund (Staff time)

Objective: Allow the County to partially meet the County's allocation of the Regional New Construction Need for all income levels within cities as specified by AMBAG Interim Policy on Regional Housing Transfers.

Time Frame: Convene the agencies for preliminary discussions upon Element adoption.

7.1.6 Housing Coordinator

Program Statement: The Planning and Building Inspection Department shall maintain the position of a "Housing Coordinator" responsible for implementing the County's housing goals and policies. The coordinator will 1) provide processing assistance to developers of projects with affordable housing, 2) provide housing information to County residents, 3) ensure that housing efforts by other agencies are consistent with the Housing Element, 4) coordinate with local jurisdictions, developers, non-profit sponsors and citizen groups interested in housing, 5) use information derived from duties to recommend priorities for preparation and implementation of Housing Element Update, 6) perform as staff to the Housing Advisory Committee, and 7) work with the Monterey County Housing Authority to determine programs to be implemented under the Cranston-Gonzales Housing Act.

Responsible Agency: Planning and Building Inspection Department

Financing: Inclusionary Housing Fund and General Fund (Staff time)

Objective: Facilitate housing development with a high percentage of affordable housing

Time Frame: Ongoing

GOAL VIII. Energy Conservation

Assure increased energy efficiency through use of energy conservation measures in all homes, including low and moderate income housing.

POLICY

8.1 Promote the use of energy conservation measures in low and moderate income housing.

PROGRAM(S)

8.1.1 Energy Conservation and Assistance

Promote the use of energy conservation measures in low and moderate income housing through continued funding by the County's programs for Paint and Weatherization, Energy Audits, solar assisted homes, energy efficient designs and utility assistance payments.

Responsible Agency: Redevelopment Agency, Monterey County Housing Authority

Financing: PG&E, Community Development Block Grants, Redevelopment Agency Funds

Objectives: 400 grants by July 1, 1996

Time Frame: Continuous

8.1.2 The County shall promote opportunities for energy efficiency by informing builders of County General Plan polices 13.3.1 through 13.4.3 and by assuring solar access on all properties to be developed in the future. The Planning and Building Inspection Department shall prepare and the Board shall adopt a solar access ordinance which would protect solar access in all new subdivisions and planned unit developments. Such an ordinance could could include criteria which would be included in any design review implemented in the future, or could be a general policy adopted by the Board to encourage the use of solar water and space heating and not preclude solar installations in the future.

Responsible Agency: Planning and Building Inspection Department

Financing: General Fund (Staff time)

Objective:	Prepare and adopt ordinance or policy
Time Frame:	December 1, 1995

GOAL IX. Accessible Housing

To ensure that a full range of housing opportunities are available to all income groups in all planning areas without discrimination on the basis of race, religion, ethnicity, age, marital status, household composition, or handicap.

POLICY

9.1 The County shall actively promote fair housing practices.

PROGRAM(S)

9.1.1 The Board of Supervisors shall continue to promote greater awareness of the fair housing and legal rights guaranteed by federal, State and local statutes through informational brochures identifying agencies and resources that are available to low income persons. **The brochures will be distributed to the Planning and Building Inpection Department Office, District Attorney's Office, Consumers Affairs Division, League of Latin American Citizens,(LULAC) the NAACP, Monterey County Legal Aid Society, Monterey County Alliance on Aging, and the Monterey County Housing Authority. Complaints registered will be referred to the California Department of Fair Employment and Housing.**

Responsible Agency: CAO/Office of Intergovernmental Affairs/Legal Aid Society/**California Department of Fair Employment and Housing.**

Financing: Inclusionary Housing Funds

Objective: Provide better awareness of fair housing rights in lower income neighborhoods.

Time Frame: Program to begin upon adoption of Element.

POLICY

9.2 The County shall set aside a portion of its locally generated funds, and work to secure those funds which will become available under the Cranston/Gonzales Housing Act to assist low income renters in securing and retaining low income rental housing.

PROGRAM(S)

9.2.1 Rental Security Deposit Guarantee Program: Revolving Loan Fund

The Board of Supervisors shall continue to actively support the efforts of the Housing Council in administering a revolving loan fund security deposits. Repayment schedules will allow families to spread the financial burden. Progress on program should continue to be submitted in annual report to the Board.

Responsible Agency: Housing Council, Monterey County Housing Authority

Financing: Inclusionary Housing Fund

Objective: Aid low income renter families in securing shelter.

Time Frame: Ongoing

9.2.2 Low Income Rentals

The Board of Supervisors shall actively support and encourage existing non-profit housing development corporations and support the formation of new non-profit organizations for the construction of rental units for low and very low income residents. The Board in cooperation with the Monterey County Housing Authority CHISPA, other non-profit agencies, and private developers shall seek loan and grant monies to initiate new non-profit housing development corporations and investigate land acquisitions in areas with urban services.

Responsible Agency: Planning and Building Inspection Department, Monterey County Housing Authority

Financing: Inclusionary Housing Matching Funds Grants (private and public), private donations, Cranston/Gonzales Housing Act: HOME and HOPE Program Funds

Objective: To provide a spectrum of rental units for very low, low, and moderate income individuals and families.

Time Frame: Ongoing

POLICY

9.3 The County shall contribute its resources to sheltering the ever-increasing number of homeless people. The County shall work with housing and homeless service agencies and shall devise direct or indirect support strategies, set aside funds or land to secure, homeless prevention services, emergency shelter facilities, and transitional housing.

PROGRAM(S)

9.3.1 Emergency Shelters/Transitional Housing

The Board of Supervisors shall direct the Department of Social Services to continue to investigate appropriate funding sources and agencies for establishing emergency shelters and transitional housing for the homeless and to work with such agencies to establish such facilities. It is expected that most of the shelter and transitional housing resources will exist within cities and in Fort Ord properties declared surplus under the McKinney Act. The Department will contact representatives of shelter sources and make County funds available in the form of vouchers or other methods. The Department of Social Services shall coordinate with other county departments, non-profit agencies and the private sector to acquire such funds and properties and facilitate the transfer of individuals and families from emergency housing to transitional or very low and low income rental housing.

Responsible Agency: Department of Social Services, Monterey County Housing Authority

Financing: County General Fund, Homeless Trust Funds, McKinney Act Funds/Federal Emergency Shelter Grant, Community Services Block Grant, HUD Section 8 vouchers and certificates. HOPE Programs

Objective: Render an even higher level of support for emergency shelters, (and transitional housing) and provide shelter for ~~100~~ **150** individuals per year.

Time Frame: Ongoing

ATTACHMENT A

CHANGES TO THE HOUSING ELEMENT

Proposed revisions to the Draft Housing Element are highlighted in **bold** (text added) and in ~~strikeout~~ (text deleted). The State Department on Housing and Community Development (HCD), in discussions with staff also requires additions listed below in order for the Draft Element to receive certification of compliance with Article 10.6 of the Government Code. Additional sites were derived from potential projects which are consistent with the General Plan and Local Coastal Program and which are in the development review process. If the additions shown below are added to the Draft Element and the transfer of allocation in accord with Chapter 1441 is approved by AMBAG, then HCD has indicated they will approve certification of the Draft Element with Article 10.6 of the Government Code.

1.2.5 Fort Ord Reuse (program to be added)

This housing development strategy anticipates the use of 1,253 housing units in the unincorporated area of Fort Ord as sites suitable for very low, lower and moderate income families. Declarations of priority for the affordability of Fort Ord units made in the Fort Ord Community Task Force "Reuse Strategy Report" and by the Monterey County Board of Supervisors and market value appraisals point to these units being affordable. However, if in the course of this strategy, a part or all of the units are rendered unavailable for County residents, then County will actively pursue other housing development strategies to accommodate a comparable number of units to meet the County's share of the regional housing need.

Responsible Agency: Planning and Building Inspection Department

Financing: General Fund (Staff Time)

Objective: Allow the development of other housing development strategies to meet the County's share of regional housing needs.

Time Frame: Ongoing

2.1.5 "Blue Ribbon Committee" for Affordable Housing (to be added at the end of the program statement)

"The Committee will consider the issue of eliminating or reducing the need for a conditional use permit in the "High Density Residential" zoning district and standardizing the requirements for developments which would not require a conditional use permit."

Table 19 Suitable Sites for Low and Moderate Income Housing Development (add the following)

Additional Sites	Moderate Inc.	Abv. Mod
Pajaro Hills	2	14
Rolling Meadows	3	21
Nacim Resort	3	16
Griffin Subdivision	2	9
Macomber Estates	4	24
Pajaro Views	4	25
Rancho Los Robles (Las Lomas)	31	92
Total:	49	201

New Unit Count based on Transfer of Allocation in accord with Chapter 1441 and additional sites:

	V. Low	Low	Mod.
Excess Units:	177	158	79
*Minus Joint Venture:	161	171	137
Total:	16	-13	-58
** Plus Chapter 1441:			
Gonzales:	16		9
Greenfield:	17	15	16
Total:	49	2	-33
Additional Sites:			49
Total Units in Excess:	49	2	16

* These housing sites are secured by signed Agreements to reallocate County housing goals to cities (between 1985 and 1990) in accord with the County's Joint Venture Housing Strategy for the planning period spanning 1990-1996. They are not counted for the purpose of certification by HCD but they will be counted in addition to those housing goals enumerated above after approval of signed Agreements by AMBAG. These Agreements will be presented to AMBAG for their approval.

** These Agreements are signed in accord with Chapter 1441 of State Law and during the planning period spanning 1990-1996 and reallocate housing goals. These Agreements are also subject to approval by Association of Monterey Bay Area Governments

REPORT TO MONTEREY COUNTY BOARD OF SUPERVISORS

SUBJECT	BOARD MEETING DATE	AGENDA NUMBER
PUBLIC HEARING TO CONSIDER: 1) ADOPTION OF A NEGATIVE DECLARATION; 2) ADOPTION OF THE DRAFT HOUSING ELEMENT AS AN AMENDMENT TO THE MONTEREY COUNTY GENERAL PLAN; AND 3) APPROVAL OF THE FINDINGS OF COUNTY COUNSEL REGARDING THE ELEMENT'S COMPLIANCE WITH ARTICLE 10.6 OF THE STATE GOVERNMENT CODE.	Nov. 10, 1992 10:30 a.m.	
DEPARTMENT	PLANNING & BUILDING INSPECTION	

RECOMMENDATION

It is recommended that the Board of Supervisors:

1. Adopt a Negative Declaration; and
2. Adopt the Draft Housing Element as an amendment to the Monterey County General Plan; and
3. Approve the findings of County Counsel regarding the Element's compliance with Article 10.6 of the State Government Code.

SUMMARY

The Draft Housing Element was considered at public hearings before the Planning Commission on February 12, and 26, 1992 and by the Board of Supervisors on March 17, April 7, and April 28 1992. On April 28, the Board voted unanimously to "adopt a resolution of intent to adopt a negative declaration and an amendment to the Housing Element of the Monterey County General Plan pending review and comments by the State Department of Housing and Community Development (HCD)." The Draft Element has undergone two State reviews. In final discussions with HCD, their staff has indicated that they will certify the Draft Element's compliance with Article 10.6 of the Government Code if the Board adopts the Draft Element with the changes shown in Attachment D and if AMBAG approves the reallocation agreements recently negotiated with the cities of Gonzales and Greenfield. Staff expects that State certification can be accomplished by November 30, 1992. State certification will not require any further action by the Board. However, in order for the County to draw down Community Development Block Grant Funding the Board must, for the time being, self certify the Draft Element. Section 65585(f)(2) of the Government Code allows the County itself to certify that the Draft Element is consistent with Article 10.6 of the Government Code.

DISCUSSION

On June 22, HCD began the review of the County's Draft Housing Element and on August 6, 1992 the County received their comments (Attachment A). On September 18, 1992 staff responded to the HCD review of the Element by making required technical changes to the Element and addressing issues raised by HCD. Staff sent HCD a revised Element and a 20 page response letter with 25 attach-

ments documenting assertions made in the staff response (Attachment B). The Element was also changed in accord with recently adopted Housing Element programs (eg. Special Handling, Development Incentives Plan, Blue Ribbon Committee). Upon conclusion of final discussions with HCD staff they indicated that they would accept the Fort Ord Reuse strategy and certify the Draft Element if additional program language and additional sites were added to the Draft Element. These changes are shown in Attachment D. It is this version of the Draft Housing Element that the Board is adopting.

In order for the County to immediately access Community Development Block Grant Funds, the County must itself certify that the Draft Element is consistent with Article 10.6 of the Government Code. Section 65585(f)(2) of the Government Code specifically provides for this alternative action. County Counsel has prepared its findings that the Draft Element is in compliance with Article 10.6 of the Government Code and these findings are contained in Attachment C. Staff intends to resubmit the adopted Element for State certification immediately after AMBAG submits approval of transfer of allocation agreements concluded with Gonzales and Greenfield.

OTHER AGENCY INVOLVEMENT

County Counsel has been consulted in the preparation of the Findings for Self Certification. The CAO's Office of Intergovernmental Affairs has been consulted on the impact of Housing Element adoption on future grant fund sources.

FINANCING

The consequence of HCD certification of the County's Draft Housing Element is that the County will be more competitive in its application for a potential $1,000,000 in Federal Home Program funds. Self certifying the Draft Housing Element until HCD certification is received will enable the County to draw down funds on an already approved Community Development Block Grant. There is no impact on the General Fund.

ROBERT SLIMMON, JR., DIRECTOR OF PLANNING AND BUILDING INSPECTION. 11/03/92

Reviewed by: Kathryn M. McKenna

Kathryn M. McKenna, Supervising Planner

This report prepared by Frank Brunings, Housing Coordinator

Attachments: **A:** HCD Review Letter dated 8/6/92; **B:** County Responses to the HCD Review Letter; **C:** Resolution of Adoption and Findings for Self Certification; **D:** Changes to the Draft Housing Element; **Draft Housing Element**

cc: Clerk to Board (16); Efren Iglesia, County Counsel; Robert Slimmon, Jr.; Nick Chiulos; Kathryn M. McKenna; Planning Commisioners;Coastal Commisiion; Health Department; Public Works; Water Resources Agency; AMBAG; Individuals and Agencies who provided comments on the Draft Element; Housing Advisory Committee; File

STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION AND HOUSING AGENCY PETE WILSON, Governor

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
OFFICE OF THE DIRECTOR
1800 THIRD STREET, Suite 450
P.O. BOX 952051
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(916) 445-4775 FAX (916) 323-2815

August 6, 1992

Ms. Karin Strasser Kaufman, Chair
Monterey County Board of Supervisors
County of Monterey
1200 Aguajito, Suite 001
Monterey, California 93940

Dear Ms. Kaufman:

Re: Review of the County of Monterey's Draft Housing Element

Thank you for submitting Monterey County's draft housing element, received for our review on June 22, 1992. As you know, we are required to review draft housing elements and report our findings to the locality (Government Code Section 65585(b)).

Our review of the City's element was facilitated by a telephone conversation on August 6, 1992 with Ms. Kathryn McKenna, Supervising Planner. This letter and appendix contain a summary of comments shared with Ms. McKenna.

The draft housing element is a well-written plan to address the housing needs of Monterey County. The draft element is a well-organized comprehensive planning document which includes much useful information about the County. The element includes detailed population characteristics and employment trends; the County's housing goals and policies; and a comprehensive review of the previous housing element's housing program.

However, there are several areas which require revisions to bring the element into compliance with state housing law (Article 10.6 of the Government Code). In particular, the element should demonstrate that the County has adequate and suitable sites to accommodate the new construction need for all income levels and sites to facilitate the development of emergency shelters and transitional housing for the homeless, and describe and analyze land use requirements as potential constraints to housing development, rehabilitation, and conservation.

While the housing element indicates that there are vacant sites sufficient to accommodate the total regional share need, the element does not demonstrate that there are adequate sites to facilitate the development of low- and moderate-income housing. In addition, it is not apparent that adequate infrastructure will be available to accommodate the County's share of the regional new construction need. The element should demonstrate that the County's development policies will accommodate the regional share for each income category.

The draft element appears to transfer a portion of the County's regional housing needs to incorporated cites pursuant to Chapter 1441, Statutes of 1990, and as a result of agreements between the County and cities establishing redevelopment project areas with tax increment financing. The element, however, should include evidence of these agreements between Monterey County and its incorporated cities and documentation of approval by the Association of Monterey Bay Area Governments as required by law. For your information, Cities which appear to accept transfers of regional housing needs should amend their elements to reflect their increased regional share responsibilities. We have included a description of the regional housing needs transfer process to assist the County in evaluating this option.

In addition, housing element law has been amended, effective January 1, 1992. A current copy of the amended statute is enclosed (new or revised language is underlined). Housing elements amended after this date are required to address the relevant sections. As a result, additional revisions, outlined in the Appendix, will be needed for the element to comply with current state housing element law.

To assist local governments in implementing their housing programs, this Department will be allocating funds from the HOME Investment Partnership Program (HOME), one of the new federal housing programs created by the 1990 National Affordable Housing Act. Local governments can use HOME funds to expand the resources available for housing rehabilitation, acquisition of land and structures, tenant based rental assistance and under certain circumstances, new construction. Monterey County is an eligible applicant for HOME funds. The first Notice of Funding Availability (NOFA) is scheduled to go out to eligible applicants within the next few weeks.

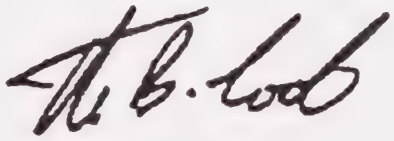
This Department's HOME program regulations include housing element status as a rating factor in the competitive application process for HOME funds. Jurisdictions with an adopted housing element in compliance with state housing element law, as

determined by this Department, will receive significant extra points if their application has met the threshold criteria. Points will be awarded to jurisdictions with an adopted housing element in compliance on or before the date HOME applications are due to the state. For further information on the HOME program the County should contact Chris Webb-Curtis of this Department at (916) 327-3586.

We hope our comments are helpful to the County. We appreciate the cooperation of Ms. McKenna during our review. If you have any questions or would like assistance in the revision of your housing element, please contact Robert Maus of our staff at (916) 323-2640.

In accordance with requests pursuant to the Public Records Act, we are forwarding a copy of this letter to the organizations and persons listed below.

Sincerely,



Thomas B. Cook
Deputy Director

Enclosures

cc: Kathryn McKenna, Supervising Planner, Monterey County
EMC Planning Group, Inc.
Nicolas Papadakis, Association of Monterey Bay Area Governments
Kathleen Mikkelson, Deputy Attorney General
Bob Cervantes, Governor's Office of Planning and Research
Dwight Hanson, California Building Industry Association
Kerry Harrington Morrison, California Association of Realtors
Marc Brown, California Rural Legal Assistance Foundation
Rob Wiener, California Coalition for Rural Housing
Susan DeSantis, The Planning Center

APPENDIX

County of Monterey

The following changes would, bring Monterey County's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change we cite the supporting section of the Government Code. Where particular program examples or data sources are listed, these are suggestions for your information only. We recognize that Monterey County may choose other means of complying with the law.

A. Housing Needs, Resources, and Constraints

1. *Quantify the locality's projected housing needs for all income levels. The projected need should include the locality's share of the regional housing need (Section 65583(a)(1)).* The element includes the County's share of the regional housing need from July 1, 1991 to July 1, 1996, as determined by AMBAG, which is:

Very Low:	1,587 units
Other Low:	1,315 units
Moderate:	1,414 units
Above Moderate:	1,376 units
Total:	5,692 units

While the element includes the total regional share need by income level as determined by the Association of Monterey Bay Area Governments (AMBAG), it credits the County for existing units that are anticipated to be available with the closure of Fort Ord, units to be transferred to cities pursuant to Chapter 1441, and the County's agreement not to contest the establishment of redevelopment project areas within the cities.

The revisions to the County's new construction need may be appropriate; however, the element does not include sufficient information to make this determination. To substantiate the appropriateness of reductions to the County's new construction need the following information should be included:

- Statutory Regional Needs Transfers Pursuant to Chapter 1441

  The element should include copies of any agreements with the cities of King City, Greenfield, Gonsales, Soledad, and Salinas to accept a portion of Monterey County's regional share need, and should demonstrate that

Association of Monterey Bay Area Governments (AMBAG) has approved the proposed reduction of the regional share need pursuant to Government Code Sections 65584 (c)(5)(A) and (D).

The County should be aware that *the county's share of low-income and very low income housing shall be reduced only in proportion to the amount by which the county's share of moderate- and above-moderate housing is reduced (Government Code Section 65584(c)(5)(C))*. It appears that the reductions attributed to Joint Venture Agreements and AMBAG policy differ from the statutory requirements.

Any agreement to transfer regional needs should be accomplished prior to adoption of the element. If agreements cannot be reached prior to adoption of the element, the County should identify sites to accommodate its entire regional need allocation.

- Fort Ord Reuse

The housing element indicates that 1,253 existing dwelling units on Fort Ord will be available for low- and moderate-income households beginning in August 1993, and that the County is reducing its regional share need accordingly. We understand that Fort Ord has a scheduled closing date beginning October 1993, with the closing scheduled for completion in September 1997, and the necessary toxic clean-up scheduled to be completed in 2003.

Military housing was not part of the regional share calculations, and therefore vacated units could be used to address the County's regional share need if the units were available for civilian use during the planning period. However, it does not appear that these units will be available for civilian use by the end of the current planning period in July 1996, so they will not be available to address the County's regional share need during this planning period.

2. *Include an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services available to these sites (Section 65583(a)(3)).*

The land inventory, described on pages 84 through 95 and summarized on page 96, identifies the maximum

permitted density within each zoning category; it should also include the density range for each zoning category if densities less than the identified density are permitted and indicate whether single family development is permitted within the higher-density zones.

The element indicates that the County currently has sufficient vacant residential land to accommodate the total regional share need, although it appears that development in many instances will be constrained by a lack of water. The land inventory should clearly indicate which vacant sites are suitable for development (i.e. adequately served by infrastructure) during the planning period. The County should identify actions which will reduce or eliminate this constraint and permit the development of sufficient units to meet the County's share of the regional housing need.

Where constraints exist, a locality should mitigate or, where appropriate or legally possible, remove them (Section 65583(c)(3)). For your information, special districts are required to give hook-up priority to affordable housing projects (Section 65589.7).

The County may wish to include a discussion of unincorporated urban fringe development near incorporated cities which may be able to utilize urban infrastructure, and County policies related to densities and sewer availability. Such a discussion should demonstrate the County's ability to direct denser, more urban development to areas near cities with available services and the County's ability to accommodate low- and very low-income households in higher density zones.

The element indicates that "the average price of homesites is about $150,000 per lot with an average lot size which ranges from one to two and one half acres." Given this fact, the element should demonstrate that new development in high density zones residential zones (at a range of densities up to 20 du/ac, but as low as 5.1 du/ac) can produce units affordable to low- and moderate-income households. Ms. McKenna has informed us that a number of the proposed units described in the element and listed on Table 19 (Rancho San Juan, Chular Vacant, etc.) reflect developer proposals. The element should be revised to describe these proposals. The element could also compare recent developed densities with the zoned densities for these parcels to indicate whether maximum-zoned densities accurately reflect development potential in Monterey County.

To identify the densities needed to facilitate low- and moderate-income housing, the element should:

- Include evidence (such as describing recent approved multifamily projects affordable to low- and very low-income households) that projects developed in the HDR, MDR, LDR, and RDR or in development incentive (mixed-use) zones in Monterey County can facilitate developments affordable to low- and moderate-income households; or

- Identify the appropriate density and rezone an adequate supply of land at densities that can accommodate the County's regional share of housing for low- and moderate-income households.

3. *Analyze the County's land use controls, and on- and off-site improvement requirements, as potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels (Section 65583(a)(4)).* The analysis of governmental constraints should determine whether a policy or procedure poses an actual constraint in the community.

The analysis of land use controls should specifically describe and evaluate the County's requirements such as any design review standards, park and recreational requirements, development standards such as building height and setbacks, and parking requirements for their potential impact upon the development of housing.

The analysis of on- and off-site improvement requirements should specifically describe and evaluate the County's requirements including street widths, sidewalks, curbs, gutters, lighting, and landscaping.

B. <u>Quantified Objectives</u>

Establish the maximum number of housing units that can be rehabilitated, and conserved over the element's planning period (Section 65583(b)).

While the County has established programs to rehabilitate and conserve affordable housing, the overall quantified objectives are not clearly identified in the element.

The law was amended, effective January 1, 1992, to require that the quantified objectives shall establish the maximum number of housing units by income category (emphasis added) that can be constructed, rehabilitated, and conserved over a five-year time period. The County should more specifically

describe the quantified objectives for all income groups. The County may wish to utilize a matrix like the one illustrated below to quantify its objectives.

Quantified Objective	New Construction	Rehab	Conservation
Very Low-Income			
Low-Income			
Moderata-Income			
Above Moderate			

C. Housing Programs

1. *Include a program which sets forth a five-year schedule of actions Monterey County is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, provision of regulatory concessions and incentives, the utilization of appropriate federal and state financing and subsidy programs when available, and the use of the redevelopment agency's Low and Moderate Income Housing Funds (L&M Fund), if available (Section 65583(c)).*

   Program actions should include specific implementation actions and objectives to ensure the City can meet housing element program requirements (Section 65583 (c)(1-5)).

   The programs should be as detailed as possible. The element should describe which specific funding sources will be utilized and what specific actions the County will take to implement the program. The element could also include the objectives for each program to facilitate better monitoring of the locality's progress in implementing the program. Examples include but are not limited to:

   - Program 1.2.1: Given the high land costs and the lack of suitable building sites in Monterey County, changes in approval procedures and zoning standards to facilitate small-lot and zero-lot-line development should be implemented immediately rather than waiting until January 1995. Prompt implementation could accommodate a larger number of low- and moderate-income households.

- Program 1.2.3: The County should consider implementing this ordinance prior to December 1993. The County may wish to reconsider targeting these small units to large households given the proposed 850 square foot maximum dwelling size.

- Program 2.1.4: The County may wish to consider changing its inclusionary housing requirement from 25 percent to 20 percent. This would complement the County's density bonus ordinance and enhance the coordination of both ordinances.

- Program 3.1.3: For your information, mortgage credit certificates can only be used by low- and moderate-income households; therefore the objective of issuing 100 certificates annually, 50 of which will be available for low- and moderate-income households should be revised. The element should also indicate when the County intends to implement this program since there is no mention in the element that the County issued any certificates during the previous planning period.

- Program 4.2.1: This program appears to have an implementation date of July 1, 1996 which is the beginning of the next planning period. We encourage the County to apply for CDBG rehab funds as soon as possible to assist low- and moderate-income households during the present planning period.

- Program 4.2.1: We encourage the County to consider linking its Employee Housing Act inspections with efforts to rehabilitate substandard units. We are concerned that an active code enforcement program without a rehabilitation funding source, (including the redirection of fines on violaters of the Employee Housing Act), will likely displace many low-income farmworkers. This is especially critical in your rental housing market which has a low vacancy rate. Contact our Legal Affairs Office at (916) 323-7288 for further information

2. Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, emergency shelters, and transitional housing in order to meet the community's housing goals as identified in subdivision (b). Where the inventory

of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).

- Pursuant to item A-2, above, it is not possible to evaluate the adequacy of existing sites without a more complete land inventory. However, if the revised inventory does not identify adequate sites to accommodate the need for all household income levels, the element must include a program to provide sites where owner-occupied and rental multifamily residential use is allowed by right pursuant to Government Code Sections 65583 (c)(1) and 65589.5 (f).

  If, after revising the land inventory, the County discovers that existing densities are not adequate, the County should include additional program actions to increase densities to allow the development of needed lower-income housing.

- We note that the element has identified an unmet need for emergency shelters and transitional housing in Monterey County. While we commend the County for planning to facilitate shelter development within incorporated cities the County should also identify adequate sites for emergency shelters and transitional housing to facilitate such development within the unincorporated County. Ms. McKenna has informed us that the County permits these land uses. The element should be revised to reflect this. We suggest that the County may wish to expedite this process so that the identification of potential sites for emergency shelters and transitional housing can occur as early in the planning period as possible.

3. *If appropriate (see item A-3) include program actions to address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, or development of housing (Section 65583(c)(3)).*

Pursuant to item A-3, above, it is not possible to evaluate the adequacy of the County's land use controls without a more thorough constraints analysis.

While the element includes a description of the lack of adequate public services, particularly those areas remote from urban services; the County should also identify actions which will permit the development of sufficient units to meet housing construction objectives. The County could consider developing regulations to encourage conservation and reduce water consumption and septic tank/sewer use by existing consumers to create unused capacity for new households.

4. Include program actions to promote equal housing opportunities for all persons regardless of race, religion, sex marital status, ancestry, national origin, or color (Section 65583(c)(5)).

   Program 9.1.1 states that the Board of Supervisors shall continue to promote greater awareness of fair housing through informational brochures. The element should also describe the County's information dissemination component to educate the public concerning the services provided. Some localities post information notices in public places; such as libraries, the County Courthouse, post offices, community centers, etc., and advertise the service through the local media. The County should also direct complaints to the California Department of Fair Employment and Housing in addition to the "appropriate federal agency."

D. <u>Assisted Units At-Risk of Conversion</u>

Chapter 1451, Statutes of 1989, and Chapter 889, Statutes of 1991 required all housing elements requires all housing elements to include, by July 1, 1992, additional needs analyses and programs to address the potential conversion of existing, assisted housing developments to non-low-income housing uses during the next ten-year period (Government Code Section 65583(a)(8) and (c)(6)). The draft element does not address this issue. The <u>Inventory of Federally Subsidized Low-Income Rental Units at Risk of Conversion</u> does not list any such units in the unincorporated portion of Monterey County. However, other federal, state, or locally-assisted units may exist in unincorporated Monterey County, and their potential for conversion should be analyzed. If investigation reveals that no such units exist in unincorporated Monterey County, the element should support this determination by including a description of the process used and sources contacted to make this conclusion. Information about potential resources to evaluate whether other units exist in Monterey County are contained in Attachment A of the enclosed technical assistance paper, <u>Housing element Analysis: Preservation of Assisted Units</u>.

ATTACHMENT B

ATTACHMENTS NOTED HEREIN WILL BE PROVIDED UPON REQUEST.

MONTEREY COUNTY RESPONSES TO COMMENTS OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT ON THE COUNTY'S DRAFT HOUSING ELEMENT

This response is organized in the same order as the comments listed in your Department's review letter appendix. For clarity, we use the same headings in the responses as are used in the review letter and have paraphrased the major issue(s) of each review paragraph under these headings. Our responses to these issues are also under headings which summarize the points made in each response.

A. HOUSING NEEDS, RESOURCES, AND CONSTRAINTS

A.1.a Statutory Regional Needs Transfers Pursuant to Chapter 1441

HCD Comment: The County should show " copies of any agreements with the cities of King City, Greenfield, Gonzales, Soledad and Salinas to accept a portion of Monterey County's regional share need..."

RESPONSE

We are justifying retaining one part of the reallocation strategy and deleting another part of the reallocation strategy for this planning period.

In practice, the Joint Venture Agreement (Transfer of Allocation) is a two stage process involving two Housing Element planning periods. The first stage involves the signing of allocation agreements as cities annex county land during the first planning period. As these lands are developed the County is able to use the sites determined by agreement for the second planning period.

Table 19 (p.96) of the Draft Element shows two suitable sites categories under the heading "Joint Venture Agreements." The first heading is entitled "Agreements Signed, Units to be Built." Under this heading are suitable sites which were allocated to the County by an agreement with each city listed during the planning period of the 1985 Housing Element prior to passage of SB 2274 and establishment of Chapter 1441 which became effective January 1, 1991. We are keeping this sites strategy. We are, however, forced to delete the sites anticipated to be developed under the "Agreement Potential by AMBAG Policy" strategy shown in Table 19.

This method has been approved by the State

It should be noted that in 1985 the state accepted the County "Joint Venture" strategy. The 1985 HCD Housing Element review letter (Attachment A) stated that "...the county would be given credit for the development for lower income households within cities..." The County would need to document the city's accept-

ance of the county proposal, indicate areas potentially subject to annexation and indicate the potential zoning and capacity by zone of the property.

Each of the sites shown is secured by agreement

We have agreements (Attachment B) with each of the cities listed in Table 19. The number of units shown in Table 19 reflects the County's percentage share of the number of lower income units negotiated upon annexation during the last planning period. The number of units shown are those sites that each city has annexed and will actually build upon during the current planning period and before 1996. The number of lower income units to be built was derived from personal communication with planners in the cities listed.

It should be noted that units built during the previous planning period in areas for which we have agreements are not counted as sites for the next planning period. We count only those sites where units have not been built but will be built during the next planning period.

We have spent County Inclusionary Housing Ordinance Funds to assist affordable housing development in cities

The County has played an active part in financing affordable units to be built in recently annexed areas. For example, the County has allocated $660,000 in Inclusionary Housing Funds (Attachment C) to develop 242 units for very low and low income households in Marina, Salinas, Monterey, Gonzales, Soledad, and Greenfield. In most cases, the County was the only local funding source for these projects, yet we are not able to claim any credit because many units were built during the previous planning period.

Deletion of the "Agreement Potential by AMBAG Policy" as part of the Housing Element Site Strategy

Because of the requirement to secure sites prior to annexation by cities we are forced to delete the second sites strategy "Agreement Potential by AMBAG Policy" in Table 19 under the Joint Venture Strategy as "suitable sites" for this planning period. The reason for having to delete these sites is that there is not enough time or information to negotiate reallocation agreements (for all income categories) with all cities affected as a condition of bringing the Element into compliance. Additionally, Cities in the County have shown no interest in signing such an agreement prior to annexation. Therefore, Table 19 in the revised draft Element does not reflect the sites to be secured under reallocation agreements. The sites negotiated during the current planning period on annexed land will be counted as sites for the

next Housing Element planning period. Unfortunately, as we are not counting any units built during the previous planning period, we will (in the next revision) also not be able to count any units which are actually built during the current planning period.

AMBAG Policy on regional transfers

The AMBAG Policy (Attachment D) regulating these kinds of reallocations was adopted by the AMBAG Board as an interim measure as in June 1992. The draft Element site strategy showed only the sites which would be allowed if agreements were negotiated in accord with adopted AMBAG Policy. Although deleted, we fully intend to implement this strategy by negotiating agreements to re-allocate 1115 units for all income levels from the County to the County's cities in accord with the AMBAG Policy and Chapter 1441 during this planning period.

Reallocation Agreement with Gonzales according to Chapter 1441

Recently, we did successfully negotiate a reallocation agreement with the city of Gonzales (Attachment B). In accord with the AMBAG interim policy, we are counting the 29 units reallocated within this planning period. The transfer consists of 29 units of which 16 (53%) are for lower income, 9 units (32%) are for moderate income and 4 units (15%) are for above moderate income households. The allocation for the unincorporated area in this housing market area is lower income - 53%; moderate income - 32%; and above moderate income - 15%. This is exactly the same percentage distribution of the allocation transferred to Gonzales in accord with Chapter 1441.

Additional Sites to Make Up For Deletion

In the revision of the draft Element submitted herewith we have instead identified sites to accommodate the entire regional need. Fortunately, the original Draft Element showed a number of suitable sites in excess of what is required by HCD in most income categories.

A.1.b Fort Ord Reuse

HCD Comment: The 1,253 units in Fort Ord "could be used to address the County's regional share need if the units were available for civilian use during the planning period. However it does not appear that these units will be available for civilian use by the end of the current planning period in July 1996..." The primary reason for HCD's assumption is that the "toxic cleanup effort will not be completed until 2003."

RESPONSE

The Fort Ord units will be available for civilian use by 1996

This assertion is, in part, based on the fact that on November 26, 1991 U.S. Congressman Leon Panetta introduced HR 4016. This bill will amend the Comprehensive Environmental Response Compensation and Liability Act of 1990 (CERCLA) to allow for the early sale and transfer of excess real property which has been deemed free of any toxic materials. HR 4016, which currently enjoys unanimous support throughout Congress, was passed by the House of Representatives in August 1992 and is scheduled to be passed by the Senate by end of this year. The President (to date) has indicated no opposition to this bill.

Locally, the Army has initiated its own process of identifying parcels which are uncontaminated and which can be released early. Determination of early release properties will be made by remedial investigations, and feasibility studies to identify and certify "clean" sites which can be released for reuse at an early stage of the reuse process. A letter (Attachment E) dated February 27, 1992 from Wesley Ludwig, Fort Ord Director of Engineering and Housing states that "The Army's goal is to have the first clean parcel identified and approved by the appropriate regulators within one year."

The letter quoted above also reported that preliminary field investigation identified "41 sites of known or suspected contamination..." These sites were identified by the Environmental Clean-Up Advisory Group which made its report to the Fort Ord Task Force. The Group's findings were included in the Fort Ord Reuse Strategy Report Appendix H-1 (Attachment F). The Group identified Fredericks Park (466 units) and Schoonover Park (787 units) as having "no (contaminated) sites listed." Under provisions of HR 4016 it is therefore reasonable to assume that these 1253 units will become available during the current planning period and before 1996.

The Fort Ord units will be affordable for very low and low income households because Army's own appraisal of the Fort Ord units states they will be affordable.

On January 23, 1991 the Army performed its own appraisal of housing units at Fort Ord (Attachment G). The appraisal focused on Abrams Park, a complex of 980 units. The units in Abrams Park compare very closely to the characteristics of units in Fredrick Park and Schoonover Park. The units in Abrams Park were appraised in 1991 for $78,000. It is reasonable to assume that the units in Fredrick Park and Schoonover Park will be similarly priced.

The Fort Ord units will be affordable for very low and low income households because the units are multifamily

Of the 1253 units in Fredrick Park and Schoonover Park, 1094 units are in duplexes (2-bedrooms) and 159 are in fourplexes (3-bedrooms). If these units are sold to the private sector, then it is likely that most of the duplexes and all of the fourplexes will be rented. The fact that these units will likely be rentals, makes them, by definition, affordable to lower income levels.

The Fort Ord units will be affordable for very low and low income households because the units are economically viable to be affordable

If the units were sold as condominiums in 1992 for $78,000 they would be affordable to both lower income buyers and renters. A $78,000 home can be purchased by a household with an income of $19,192 assuming they make a downpayment of $15,600 (20%) with a loan amount of $62,400 at an interest rate of 8.5% amortized for 30 years. The monthly payment for debt service will be $480 and constitutes 30% of the above household's monthly income. The 1992 HUD lower income limits for Monterey County is $27,500 for three person households, $30,550 for four person households and $33,000 for five person households.

If the 159 units containing 3-bedrooms were rented at $480 per month, then they would be affordable to very low income households containing 4 and 5 persons which have income ceilings of $19,100 and $20,650, respectively. Given these figures it can be assumed that 1094 units of the 1253 units in Fort Ord will be affordable to lower income households and 159 will be affordable to very low income households.

The Fort Ord units will be affordable for very low and low income households because the appraised value quoted above may be even lower when units in Fort Ord are vacated.

A study commissioned by the Fort Ord Community Task Force called "Housing Impact Analysis of Fort Ord Downsizing" by Sedway and Associates (July 15, 1992) evaluated the impact of increased vacant units on the local housing market. The report stated that "the increased vacancies will place downward pressures on prices and provide new affordable housing opportunities..." (p.34). In addition, the report stated that "The downsizing of Fort Ord will result in a rapid increase in Monterey County's rental vacancy rate. As a result, it can be expected that rents will most likely drop significantly..." (p. 38). Thus, given the effects quoted above, the Fort Ord downsizing will likely place even more Fort Ord units within the range of affordability of very low income households.

The Fort Ord units will be affordable for very low and low income households because the Monterey County Board of Supervisors has taken local actions to ensure that Fort Ord housing becomes affordable.

On February 25, 1992 the Monterey County Board of Supervisors unanimously passed a resolution (Attachment H) that "affordable housing be given first priority" when selling units in Fort Ord and that such units be sold at "construction cost plus a percentage based on maintenance costs." In the resolution, the Board urged Congressman Leon Panetta to introduce legislation that would allow for the units to be sold at below market value.

The Fort Ord units will be affordable for very low and low income households because the locally prepared Re-use Strategy specifies that Fort Ord units in County jurisdiction be used for low income housing.

The Fort Ord Community Task Force was organized by U.S. Congressman Leon Panetta on February 3, 1990. The Task Force produced a 760 page "Reuse Strategy" report which represented the collective work and expertise of more than 300 people. Membership in the Task Force included representatives of 100 agencies and organizations, and more than 200 companies. Recommendations from the Reuse Strategy Report include the following:

1. Housing blocks which are vacated as military units move into the enclave be made available for lease to the public for immediate use for affordable housing with the potential that the lease arrangement include a right of first refusal and/or lease purchase option opportunities.

2. All existing housing should be sold at a price that is affordable . Affordable includes very low to moderate as defined by HUD's Federal Register Notice.

3. Provide some permanently affordable housing through the use of CC&R's, deed and resale restrictions, controlling the rate of appreciation or through purchase by a community land trust, the Housing Authority of the County of Monterey, or non-profit housing development corporations.

In summation, we are very confident that the 1253 units in Fort Ord will be available to the general public within this planning period and that the housing market coupled with the legislative intent of local government will determine that these units will be affordable to low and very low income households.

A.2. Inventory of Vacant Land Suitable for Residential Development and Analysis of Related Zoning, Public Facilities, and Services.

HCD Comment:Page 96 (Table 19) of the Element identified the maximum permitted density within each zoning category. Identify the density range for each zoning category.

RESPONSE

Most of the densities indicated in Table 19 actually reflect the average density allowed in Development Incentive Zones.

Most unincorporated areas with sewer services have been designated as Development Incentive Zones (DIZ). This development strategy has been in existence in Monterey County since 1980. The land use category and zoning in each Development Incentive Zone is "High Density Residential". The zoning designation "HDR" allows 5-20 units per acre. However, by definition, each DIZ designation has a density range of 10-20 units per acre. Table 19 under the heading "Development Incentive Zones" lists six DIZs: Boronda, Castroville, Chualar, Pajaro, San Ardo, and San Lucas. Four have been designated DIZ's since 1980 and two, San Lucas and Boronda have been designated as a result of Housing Element Program 5.2.2 (p.125). We have revised Table 19 to reflect an average buildout of 15 units per acre. In Castroville, Chualar, Boronda, Pajaro, San Lucas and San Ardo we project 15 units per acre, the average density allowed. In a part of Chualar we project 18 units per acre and 10 units per acre. The parcel in Chualar is specified to be 18 units per acre by County Policy (Attachment I).

The densities shown in Development Incentive Zones are realistic and, in certain instances, conservative estimates of zoning buildout.

In order to achieve a realistic projection of the number of affordable units which could be built in each DIZ, the County contracted with CHISPA, a local non-profit housing development corporation to assess the development potential of vacant sites. In October 1990, CHISPA completed a report entitled " Monterey County Community Development Block Grant Housing Feasibility and Planning Study." Under the terms of the contract the CHISPA report provided "Identity of potential sites for development of low income housing" and "Preliminary site plans for sites have the best potential for the development of low income housing." Based on this report, we have included the vacant sites CHISPA identified in each Development Incentive Zone within the Housing Element. The average density buildout projected for all vacant sites in DIZ's is estimated to be about 15 units per acre: an average of the allowable density range.

HCD Comment Page 3 Paragraph 1: Because the Element has documented water shortages, the land inventory should clearly indicate which vacant sites are suitable for development.

RESPONSE

Of the five major site development strategies shown on Table 19, only one strategy is facing a major water constraint. Thus, the buildout of 2,380 units projected for the Area of Development Concentration "Rancho San Juan" is based on the amount of water available to the project. The buildout projections in the remaining strategies are based on sites located in more urbanized areas which have water service available or are based on sites in rural areas which are consistent with the General Plan land use designation and undergoing the development review process. As a further assurance on the buildout in rural areas we have provided sites in excess of the housing needs goals to account for buildout reductions on individual projects due to water constraints.

HCD Comment Page 3, Paragraph 2: Where constraints exist they should be removed.

RESPONSE

The Element adequately documents the areas where constraints exist. Many constraints have regional impacts and are of such a magnitude (eg. lack of water, road capacity, sea water intrusion) that it would be impossible to adequately address them in Housing Element Programs. For that reason the Element concentrates on only identifying sites which have the fewest (if any) constraints. In addition, the Element provides programs such as "Capacity Development" (2.2.2) and "Neighborhood Improvement Plans" (2.2.3) to increase the capacities of existing facilities.

HCD Comment Page 3, Paragraph 3: Unincorporated Urban Fringe Development should be considered to provide more housing sites.

RESPONSE

While this development alternative may have merit in other, more urbanized, counties it presents many problems in Monterey County. Almost all of the land located on the urban fringe of those cities not already landlocked is prime agricultural land in active production. Also, cities vehemently oppose unilateral unincorporated high density development in their "growth path" as this would preclude their own ability to shape their future and enhance their tax base through annexation and zoning. Fringe development (which would eventually become a part of the city) may have totally different development standards than those found

in the city. For these reasons they could refuse to offer services to development proposed on the fringe. However, some cities in Montarey County have stated that "If the housing needs of Monterey County residents are ever to be met, it must be accomplished through a cooperative effort between the cities and the County" (letter from Carla Pew, City Manager, Gonzales, April 7, 1992).

We do agree that the long term solution to providing more suitable sites must be found and the County is leading in the attempt to find such a solution. For example, the "Joint Venture" housing strategy is a method to achieve a bilateral consensus on how and where growth should take place. Housing Element Program 7.1.3 (p.133) recognizes the need for cities to be "included in the Joint Venture Program negotiations prior to request for sphere of influence studies or annexation proposals", and that the negotiation options include "County programs which could be applied" and "Consideration of the fiscal impact of increased lower income housing developments on the cities."

The Monterey County Board of Supervisors has also formed a "Agricultural Lands Viability/Affordable Housing Study Committee" to study the viability of agricultural land for possible affordable housing development (Attachment J). This Committee will report their findings to the Board of Supervisors early next year.

HCD Comment Page 3 Paragraph 4: The Element should demonstrate that new development in high density zones can produce affordable housing.

RESPONSE

A survey of rents in Development Incentive Zones indicates that rents are affordable to low and very low income households.

A letter (Attachment K) from a landowner in Castroville listing the rents of 127 units he owns in Castroville (a Development Incentive Zone since 1980/ allowable density 10-20 units per acre) states that the rent that "we charge falls into the inclusionary housing class of low to moderate rents. This is made possible in part by allowing the higher densities which have been allowed in the past." Most of the apartment projects listed have been built within the last ten years. An attachment to the letter shows monthly rents which range from a low of $350 to a high of $615. The mean and median rent value is $460. In 1991, HUD income standards for Monterey County defined that families of four people earning less than $19,000 are in the very low income category. If we take the following affordability formula: ($19,000x.30)/12, then an affordable level of rent would be $475 per month. Therefore, based on this representative survey, more

than half of the units offered in Castroville are affordable to very low income households. To determine the number of units affordable to lower income families, where the 1991 HUD median income in Monterey County for a family of four is $38,000, we offer the following formula: (($38,000x.6)x.3)/12 = $570. Thus, of the 127 rents listed, only 12 rents (5%) are not affordable to lower income households.

Rent levels in the unincorporated area are lower than levels in the County and in the state as a whole.

The County's Housing Element (p. 72) states that the "The unincorporated area's rent level was significantly lower than that of the State and the county as a whole." According to the 1990 U.S. Census, the unincorporated area's median rent was $522, the state's was $561 and the County's was $566.

The unincorporated area has more rental units available to very low income households than all county jurisdictions except one and the highest percentage of rental units available to very low income households of all of the county's largest jurisdictions

A report called "Housing Impact Analysis of Fort Ord Downsizing" by Sedway and Associates (July 15, 1992) compared existing housing units by affordability levels for each County jurisdiction (See Table 7 Allocation of Existing Housing Units by Affordability Levels, 1990 Monterey County, Attachment L). According to the Table, the unincorporated area had 31% of its rental housing stock affordable to very low income households. This percentage was the highest of the County's large jurisdictions: larger than in Seaside, Salinas, Marina, Monterey, Carmel and Pacific Grove. The cities of Monterey, Marina, Pacific Grove taken together had about the same number of housing units (23,718 units) as the unincorporated area had (23,378 units). Yet, in gross numbers, the unincorporated area contained more than twice as many units (2,131 units) affordable to very low income households as were found in these cities combined (976 units).

HCD Comment Page 3 Paragraph 4: The Element should be revised to reflect developer proposals and the Element should be revised to compare recent developed densities with zoned densities.

RESPONSE

Not only do the housing sites listed under the heading "Housing Development by Project/Developer" in Table 19 "reflect" the developer's proposals they are the developer's proposals. The "moderate income" units shown in this category will be built by developers in accord with the requirements of the County's Inclusionary Housing Ordinance. As stated in the Housing Element, all projects are currently undergoing project review and are

consistent with the General Plan.

The 2,380 units shown for the high density land uses in the Rancho San Juan Area of Development Concentration reflect a much lower buildout than the 5.1 units per acre density indication (which would allow about 6,000 units). Instead the buildout in Table 19 reflects the water constraints faced by the project. However, the 357 housing units projected for moderate income households in the Rancho San Juan Area of Development Concentration are based on the County's Inclusionary Housing Ordinance requirements. The additional 119 units are the developer's own proposal (Attachment M) to qualify the project for the Special Handling Program (Program 2.1.4). Although the project does not qualify for the Special Handling Program at this time it is anticipated that the developer will formally request this option to the Board of Supervisors.

In the County's high density land uses we find that zoned densities do reflect actual build out . The exception is where lots are so small that only a single family dwelling can be accommodated. For this reason, in high density areas (DIZ's), we have projected buildout based on the lowest or average density allowed not the highest density allowed. Where the lots are larger, or where properties have been assembled, we invariably find that developers will build to the "highest and best use."

HCD Comment Page 4 Paragraph 1: Include evidence that projects in various zoning categories can facilitate developments affordable to low and moderate income households.

RESPONSE

A survey of sales prices of the County's Inclusionary Housing Units, most of which are built MDR, LDR, and RDR zoning, indicates that sales prices are affordable to low and moderate income households.

To evaluate the level of affordability of inclusionary housing projects we analyzed a list (Attachment N) of the housing prices of the county's two largest inclusionary housing projects to date: Las Palmas Ranch (23 units) and Pine Canyon Estates (23 units). In Las Palmas Ranch, the median sales price for two bedroom units was $110,000 and for three bedroom units was $124,000. In Pine Canyon Estates, the median home sales price was $110,250. As stated in the draft Housing Element "Income Requirements for Home Purchase" (p. 75-76) a lower income family would be able to purchase a home priced at $112,000 and a moderate income household would be able to purchase a home priced at a maximum of $171,000. Clearly, some of the sales prices of the units provided under the Inclusionary Housing Ordinance reflected an affordability level for lower income households. However, in

Table 19 we have taken a more conservative approach and show only "moderate income" sites where inclusionary units are shown as part of a project. The only exceptions are inclusionary rental projects because the Inclusionary Housing Ordinance requires that these units must be rented to "lower income" households.

A3: Analysis of Governmental Controls

HCD Comment Page 4 Paragraph 3 and 4: Describe and evaluate the County's requirements such as: design review, park and recreational requirements, development standards, parking requirements, street widths, sidewalks, curbs and gutters, lighting and landscaping.

RESPONSE

We have added to the draft Housing Element a more detailed analysis of the County's land use controls and have included a program to remove constraints to affordable housing by using a "Blue Ribbon" Committee (Attachment O) consisting of developers, engineers and architects. This Committee will meet with the Zoning Administrator to study the affordable housing development process and prepare recommendations to the Board of Supervisors.

B. QUANTIFIED OBJECTIVES

HCD Comment Page 4-5 Paragraph 7: Specifically describe quantified objectives for all income groups.

RESPONSE

In accord with your suggestion, we have revised the Housing Element to include the following objectives in the matrix form below. The objectives outlined are based on the Element's new construction goals and the rehabilitation goals contained in Element Programs 4.1.1 - 4.1.4. Conservation goals are based on program 3.1.1 which is directed to the purchase of mobile home parks by residents under the State's Mobile Home Park Resident Ownership Program (MPROP) and increases in allocations of Section 8 Certificates and Vouchers.

	New Constr.	Rehabilitation	Conservation
Very Low	1587	300	39
Low	1315	300	36
Moderate	1414	100	0
Above Moderate	1376	0	0

C. HOUSING PROGRAMS

C.1. HCD Comment: The programs should be as detailed as possible.

RESPONSES

In accord with your Department's specific comments on Housing Element Programs we have revised the text of the Element as outlined below:

Program 1.2.1: We have changed the time frame to January 1993.

Program 1.2.3: We have changed the Program to adopt it prior to December 1993 and have deleted targeting to large households.

Program 2.1.4: HCD Comment: Explain why not eligible for program at 20% affordable, commensurate with state density bonuses.

RESPONSE

The density bonuses shown in Program 2.1.4 are included with the "special handling" designation of a project which has 25% or more affordable units. Although the percentage of affordable units required for special handling is slightly higher than the state's, the affordability requirements and resultant density bonuses under "special handling" are less stringent than the affordability levels required for state density bonuses. The Element still allows density bonus consideration in accord with state law requirements in Program 2.2.1

Program 3.1.3: During the previous planning period the County was successful in obtaining 65 Mortgage Credit Certificates. Many of the Certificates were used with the County's Inclusionary Housing Units. We are in the process of obtaining more MCC allocation (See Attachment P, letter from Board of Supervisors). We have changed the Element to implement this Program immediately and direct the total allocation to low and moderate income households.

Program 4.1.2.: We have changed the Element to implement this Program February 1993.

Program 4.2.1 We have changed this Program to connect Employee Housing Act to Rehabilitation Funds in order to address displacement of farmworkers.

C.2. HCD Comment Page 6-7 paragraph 6: Identify adequate sites/facilities for a variety of housing types.

RESPONSE

As your review letter states the County's Housing Element "indicates that there are vacant sites sufficient to accommodate the total regional share need..." We assume that we need to demonstrate that those vacant sites will facilitate the development of "low and moderate income housing" and a "variety of types of housing" and that these sites have the "public services and facilities needed."

Affordability

The rent schedules and Inclusionary Housing prices quoted herein show that units built in Development Incentive Zones and Inclusionary Housing Units will, indeed, be affordable to very low, low and moderate income households. As Table 19 shows we have identified more than the required number of sites targeted toward these income categories.

Variety of Types

Revisions to the Housing Element in the "Governmental Constraints" section includes an extensive analysis of the Zoning Ordinance (Table 13a) and its relation to allowing various housing types including: Multifamily rental housing, zero lot lines, factory built housing, mobile homes, emergency shelters, and transitional housing. The analysis indicates that all these uses are allowed in various zoning categories, identifies any constraints which may exist and proposes steps (Program 2.1.5 "Blue Ribbon Committee) to remove these constraints.

Services and Facilities

With regard to the infrastructure needs of the sites listed in Table 19 we discuss this issue relative to each Suitable Sites Strategy below:

Area of Development Concentration (Rancho San Juan)

If this project is approved sewage treatment facilities will be provided by the developer as a condition of development in the ADC. As stated in the Element, buildout projection of 2,380 units is commensurate with water availability. The number of affordable units are requirements of the Inclusionary Housing Ordinance and proposals by the developer. A letter (Attachment M) from representatives of the Rancho San Juan developers requests that the Board of Supervisors consider "an additional 5% affordable senior housing units above the basic allocation and the 15% inclusionary housing requirement" in return for "special handling" consideration. Again, although the project does not qualify for the Special Handling Program at this time, it is anticipated that the

developer will formally request this option to the Board of Supervisors.

Development Incentive Zones

Boronda: Boronda shows enough vacant land to accommodate a total of 442 vacant sites. However, a Quarterly Report of the Monterey Regional Water Pollution Control Agency (Attachment Q), which allocates sewage capacity for Boronda shows an allocation for only 98 units in the Boronda County Sanitation District. Boronda is in a Redevelopment Area and, as such, is scheduled for extensive community improvements particularly sewer improvements (See page 86-87 of the Housing Element). The Housing Element and the Boronda Redevelopment Plan cite specific funding sources including Tax Increment Revenue ($1,000,000) to make more capacity available to the vacant sites listed. The Planning and Building Inspection Department has petitioned MRWPCA Board to restrict the 15% management reserve (allowing 675 additional dwelling units) toward a "reserve to affordable housing projects" within the Agency's allocation pool. In addition CHISPA and other affordable housing advocates have also urged a "Countywide Reserve for Low Income Units" (Attachment R). We are confident that in light of these efforts, Boronda will have the capacity for the additional 327 units to implement the projected buildout.

Castroville: Castroville shows a total of 6.07 acres of vacant land generating a potential 91 sites. A Quarterly Report of the Monterey Regional Water Pollution Control Agency (Attachment Q), which allocates sewage capacity for Castroville, shows an allocation for 221 units in Castroville. It should be noted that this allocation would be shared with the proposed 250 unit CHISPA project noted below. Therefore the allocation would be short a total of 130 units. However, Attachment Q indicates a "management reserve" of 675 dwelling units. Castroville is in a Redevelopment Area and, as such, is scheduled for extensive community improvements (See page 86-87 of the Housing Element).

Pajaro: As stated in the Housing Element, the 18 acre suitable vacant site projected for lower income unit development in Pajaro is currently designated "Industrial." Multi-family units are allowed in an industrial land use category with an administrative permit. The owners of the land are currently working with the County to prepare the site for residential development. Pajaro is in a Redevelopment Area and, as such, is scheduled for extensive community improvements (See page 86-87 of the Housing Element). The Element has been changed to better document the adequate sewer and water services which exist in Pajaro (Attachment S). The Pajaro sewage collection system is connected to the Watsonville treatment plant and is therefore not subject to an allocation. According to the Element, more than 280 units can be developed based on sewage capacity. However, the buildout in Pajaro

is based on the amount of vacant land. Pajaro has a land use density of 10-20 units per acre and we project an average density of about 15 units per acre to arrive at the above 270 unit build-out on the 18 vacant acres.

Chualar: County Policy 26.1.13.1 (Central Salinas Valley Area Plan) states that the "developer shall fund all costs necessary to expand (facilities) to support new development." In addition the Policy states that "4 acres may be developed at a density of ... 18 units per acre only if all of the units are constructed to serve low income persons. The units projected as affordable in Chualar represent the developer's proposal (Attachment T) and the County Policy.

San Ardo: As stated in the Element San Ardo is a Development Incentive Zone and is designated "High Density Residential (10-20 units per acre), the projected buildout density is 15 units per acre. As stated in the Draft Element, the San Ardo sewage treatment plant has capacity for an additional 132 dwelling units. The vacant land (five acres) and the sewage capacity will support a potential buildout of least 75 units.

San Lucas: The 32 units projected for San Lucas is based on the CHISPA study of feasible sites noted herein. The study states that "A parcel of two plus (2+) acres at the east entrance of town is zoned for industrial use. The size of the parcel, its location and traffic patterns, make it a prime location for a multi-family project."

Housing Development by Project/Developer Inclusionary Housing Requirements.

The sites projected for development under this development strategy consist of those proposed projects currently under review in the Planning and Building Inspection Department. All projects are consistent with the General Plan and have the resources necessary to develop the buildout proposed. Most are large projects not in water short areas and require a sewage treatment plant for development. The rest are located in areas served by septic tanks. It should be noted that the affordability level for most units projected under this strategy is "moderate income" as a requirement of the Inclusionary Housing Ordinance. The "low and very low income" units are those units which are part of rental projects.

Housing Development By Non-Profit Organizations

Two projects listed (Loma Vista and Pacific Meadows) have recently been approved. The remaining project by CHISPA is undergoing preliminary review. In fact, CHISPA has requested to develop 130 units in addition to the 120 units listed in Table 19 (p.96) for

a total of 250 units. The North County Local Coastal Plan shows that (Attachment U) 163 acre parcel owned by CHISPA is a zoning allowing 5 units per acre. This density would allow a total buildout of about 800 units. However, in light of the water, sewer, traffic and sensitive habitat considerations, CHISPA has projected a conservative buildout projection of 250 units commensurate with available and realistic facility constraints. Again, the Planning and Building Inspection Department has petitioned MRWPCA Board to restrict the 15% management reserve (allowing 675 additional dwelling units) for a "reserve to affordable housing projects" within the Agency's allocation pool. In addition CHISPA and other affordable housing advocates have also urged a "Countywide Reserve for Low Income Units" (Attachment R). We are confident that in light of these efforts, CHIPSA a non-profit housing developer, will have the capacity for the additional 130 units to implement the projected buildout.

Joint Venture Strategy and Units in Fort Ord

As stated above herein the sites listed are in cities where facilities will be made available and in Fort Ord where facilities already exist.

HCD Comment Paragraph 3 Page 7:Sites for Emergency Shelters/Transitional Housing should be identified within the unincorporated area.

RESPONSE

Revisions to the Element in the Section on Governmental Constraints have been made to show the zoning districts in which emergency shelters and transitional housing may be located. More specifically, the County is taking actions to secure sites in Fort Ord under the McKinney Act (Attachment V). The attachment shows that a site of 25 acres to build 200 units is being requested in the in the East Garrison Area and a total of 55 units of transitional housing are being requested in Schoonover Park and Fredrick Park. All of these sites are in the unincorporated area. As you know, the McKinney Act gives first priority distribution of Federal surplus properties to agencies acting on behalf of the homeless. We have revised the Element to reflect the county's efforts to locate sites in Fort Ord on behalf of the homeless.

C.3. HCD Comment Paragraph 4 Page 7: The County should identify actions which will permit the development of sufficient units to meet housing construction objectives.

RESPONSE

On August 25, 1992 the Board of Supervisors approved a "Development Incentives Plan" (Attachment W) for affordable housing project. The purpose of the Development Incentives Plan is to encourage developers to build affordable housing by lowering development costs. The Plan includes all the incentives currently provided through existing law and County Ordinance. These include State law on density bonuses, the Inclusionary Housing Ordinance, and incentives provided in the Draft Housing Element. Additional incentives are provided in the form of fee reductions and waivers and other Departments and Agency actions on behalf of affordable housing projects such as "Special Handling" and acceptance of roads into the County road system. At the 25% or more affordability level, fees will be reduced by the same percentage as the percentage of affordable units. Fee waivers will apply when a project is 100% affordable.

In order to qualify for the Development Incentive Plan, a project must consist of seven or more units and the number of affordable units in a proposed project must be 25% or more of the total units in the project.

An "affordable" for-sale housing project is a project in which the required percentage of "affordable" units must be priced so that a minimum 50% are affordable to lower income households (income up to 80% of HUD median household income for Monterey County) and 50% are affordable to moderate income households (income between 80%-120% of HUD median household income for Monterey County).

An "affordable" rental housing project is a project in which the required percentage of "affordable" units must be rented so that a minimum 50% are affordable to very low income households (income up to 50% of HUD median household income for Monterey County). Rent levels must be 30% of 50% of the HUD median household income, adjusted for household size; and 50% are affordable to lower income households (income between 50%-80% of HUD median household income for Monterey County). Rent levels must be 30% of 80% of the HUD median household income, adjusted for household size.

All units defined as affordable must be rendered permanently affordable by deed restriction in the manner prescribed for Inclusionary Units by the Inclusionary Housing Ordinance.

The Plan includes fee reductions and waivers, density bonuses and specific actions such as Special Handling and acceptance of roads into the County road system, to foster affordable housing development. Density bonuses may be considered in accord with the above requirements or in accord with the requirements of existing

State density bonus law. However, to qualify for the state bonus, projects must meet the State's requirement that 20% of the project units must be for lower income households or 10% for very low and must meet state affordability guidelines which are more stringent than the affordability guidelines noted above.

Also on August 25, 1992, in concert with adoption of the Development Incentive Plan, Board of Supervisors revised the "Special Handling" procedure to allow for a "process for early Board involvement in policy determinations for affordable housing projects" (see Attachment X). This action assists developers of affordable housing projects because it offers preliminary Board direction on existing county policies related to land use and environmental policies such as ridgeline development, development on 30% slopes, and development in view corridors. It also allows the developer to ascertain the possibility of resolving major policy issues before the project undergoes the discretionary permit process and reduces the chance of an affordable housing project being rejected at the end of the process because of unresolved policy issues.

C.3. HCD Comment Paragraph 1 Page 8: The County could consider developing regulations to encourage conservation and reduce water consumption to create unused capacity for new households.

RESPONSE

The Board of Supervisors has adopted Ordinance #3496, the Water Resources Agency has adopted Ordinance #3539 and the Monterey Peninsula Water Management Agency has adopted Ordinance #52 (Attachment Y) to provide for water conservation in areas where water supply is a critical issue.

C.4. HCD Comment Paragraph 3 Page 8: Program 9.1.1 on the fair housing "informational brochures" should be revised to show how they are disseminated and fair housing complaints should also be directed to the California Department of Fair Employment and Housing.

RESPONSE

We have revised Program 9.1.1 to include specific locations where the brochures will be distributed. These locations include the Planning and Building Inspection Department Office, District Attorney's Office, Consumers Affairs Division, League of Latin American Citizens (LULAC), the NAACP, Monterey County Legal Aid Society, Monterey County Alliance on Aging, and the Monterey County Housing Authority. In addition, the California Department of Fair Employment and Housing has been added to the complaints referral list.

D. HCD Comment Paragraph 4 Page 8, Assisted units at risk of conversion: Analyze those Federal, State or locally assisted units which have a potential for conversion into market rate units.

RESPONSE

We have reviewed the "Inventory of Federally Assisted Units" and found no units which were located in the unincorporated area which were in danger of conversion. In addition, we have conducted telephone interviews with the Monterey County Housing Authority, the Farmers Home Administration and CHISPA for information on units built in the unincorporated area under Section 221(d)(3) with rent supplement or Section 8 contracts, Section 236 projects and FmHA pre-1980 Section 515 projects. Upon contact with these organizations, we found that no such units were located in the unincorporated area. The County Inclusionary Housing Ordinance requires units to be affordable for a thirty year period. The Inclusionary Housing Ordinance has been in effect only since 1985.

ATTACHMENT C

RESOLUTION NO. _____

Resolution to Adopt a)
Negative Declaration and to Amend)
the Housing Element of the)
Monterey County General Plan)

WHEREAS, Section 65300 of the California Government Code requires each county and city to adopt a long-term General Plan, and

WHEREAS, On September 30, 1982, Monterey County adopted a General Plan consistent with Section 65302 of the Government Code, and

WHEREAS, Section 65358 of the Government Code provides for amendments to adopted General Plans, and

WHEREAS, Section 65583 of the Government Code requires that a Housing Element within adopted General Plans shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, and scheduled programs for the preservation, improvement, and development of housing, and

WHEREAS, Section 65583 of the Government Code requires each local jurisdiction to set forth the manner in which it will provide for its appropriate share of the regional housing needs, and

WHEREAS, On September 25, 1985, the Monterey County Board of Supervisors revised procedures for amending the General Plan, and

WHEREAS, On July 2, 1985, the Board of Supervisors adopted the first revision to the Housing Element as an amendment to the

1982 Monterey County General Plan, and

WHEREAS, Section 65583 (b), (3) and (5), of the Government Code requires that the Housing Element shall be revised not less than every five years, and for the Association of Monterey Bay Area Governments, July 1, 1991 for the second revision, and

WHEREAS, An extension of the July 1, 1991 revision of the Monterey County's Housing Element was approved by the Monterey County Board of Supervisors in order to evaluate the impact of the Fort Ord closure on the County's housing market, and

WHEREAS, On February 12 and 26, 1992, the Planning Commission considered an amendment to the Housing Element of the Monterey County General Plan attached hereto and made a part hereof, at duly noticed public hearings, and

WHEREAS, Following said hearings, the Planning Commission recommended to this Board adoption of the aforesaid amendments and the adoption of a negative declaration therefore, and

WHEREAS, on March 17, April 7, and April 28, 1992, this Board has considered the amendment at duly noticed public hearings, and

WHEREAS, Public notice and availability of the amendment requirements have been complied with, and

WHEREAS, Public testimony, documents, staff reports, and other matters relative to the amendment have been received and considered, and

WHEREAS, A negative declaration for the amendment was filed on January 24, 1992 after having been noticed and circulated to

the State Clearinghouse, and

WHEREAS, This Board has determined, on the basis of an initial environmental study and comments received, that adoption of the amendment will have no significant impact on the environment, and

WHEREAS, The Housing Element has been submitted to the State Department of Housing and Community Development for review and the Department's suggestions have been considered by the Board of Supervisors prior to final adoption and certification, and

WHEREAS, The Housing Element is found to have been developed and reviewed in accordance with current State Planning Law, as demonstrated in Attachment A: "Findings for Adoption of the Housing Element: Findings on Procedure", Findings for Compliance with Article 10.6 of the California Government Code and

WHEREAS,The programs and policies contained within the Housing Element are found to be internally consistent and consistent with those of the Monterey County General Plan, as demonstrated in the Consistency Findings (Attachment A).

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That this Board hereby adopts an amendment to the Housing Element of the Monterey County General Plan, after having considered review and comments by the State Department of Housing and Community Development, and having made findings for consistency with Article 10.6 of the Government Code as indicated in the Attachment A attached hereto and made a part hereof; and

2. That this Board hereby adopts a negative declaration

for the subject amendment.

PASSED AND ADOPTED this _____ day of _____,

19____, seconded by _____, and

carried by the following vote, to wit:

AYES:

NOES:

ABSENT:

ATTACHMENT A:
FINDINGS FOR ADOPTION OF THE HOUSING ELEMENT
AS AN AMENDMENT TO THE MONTEREY COUNTY GENERAL PLAN

The documents before the Board of Supervisors, and made available to the public are:

- Draft Monterey County Housing Element
- Monterey County Housing Element Initial Study and Negative Declaration
- Board Report of March 17, April 7, and April 28, 1992
- Review of the County of Monterey's Draft Housing Element, State Department of Housing and Community Development 8/6/92
- Monterey County Responses to Comments of the Department of Housing and Community Development on the County's Draft Housing Element

1. Findings on Procedure

1.1. A Draft Housing Element was developed by the Planning and Building Inspection Department Staff, with significant participation from state and local agencies, and other interested parties.

EVIDENCE: Draft Housing Element: Public Participation, page 4.

1.2. A noticed public hearing before the Planning Commission on the Housing Element was held on February 12 and continued to February 26, 1992.

EVIDENCE: Tapes of the Planning Commission meetings for the above dates.

1.3. Notice of the public hearing before the Planning Commission on this amendment was published in the Salinas Californian and Monterey Peninsula Herald Newspapers 10 days before the actual hearing date.

EVIDENCE: Planning Commission File No. 95002.

1.4. At the aforesaid public hearing persons spoke or submitted letters to the Planning Commission on this amendment. These persons are listed in Exhibit "C" of Planning Commission File No. 95002.

EVIDENCE: Tapes of the aforesaid Planning Commission public hearing.

1.5. The approval by the Planning Commission of this amendment was written resolution carried by the affirmative vote of the majority of the total voting members.

EVIDENCE: Planning Commission Resolution No. 92-046,

February 26, 1992; tapes of the public hearing on February 26, 1992.

1.6. A noticed public hearing before the Board of Supervisors on the Draft Housing Element was held on March 17, April 7, April 28, and November 10, 1992.

EVIDENCE: Board of Supervisors File No. PC-92005.

1.7. Notice of public hearing before the Board of Supervisors on this amendment was published in the Salinas Californian and Monterey Peninsula Herald Newspapers on March 6, 1992 and on October ___ 1992 with copies of the Draft Element made available for public review at the John Steinbeck Library, in Salinas, and the County Planning and Building Inspection Department.

EVIDENCE: Board of Supervisors File No. PC-92005

1.8. At the aforesaid public hearings persons spoke or submitted letters to the Board of Supervisors on this amendment. A list of these persons is attached.

EVIDENCE: Board of Supervisors File No. PC-92005 and the minutes and/or tapes of the aforesaid Board of Supervisors Public hearing.

1.9 On June 22, 1992 the State Department of Housing and Community Development (HCD) reviewed the Monterey County Draft Housing Element and on August 6, 1992 HCD submitted their review letter.

EVIDENCE: Board of Supervisors File No. PC-92005

1.10 On September 18, 1992 Monterey County responded in writing to HCD comments on the Draft Housing Element.

EVIDENCE: Board of Supervisors File No. PC-92005

1.11 On November 10, 1992, after considering HCD comments on the Draft Housing Element, the Monterey County Board of Supervisors made findings certifying that the Monterey County Draft Housing Element is in compliance with Article 10.6 of the State Government Code consistent with Section 65585(f)(2).

EVIDENCE: Board of Supervisors File No. PC-92005

1.12. On November 10, 1992 a majority of the voting members of the Board of Supervisors adopted this amendment, known as the Monterey County Housing Element.

EVIDENCE: Board of Supervisors Resolution No. _____ dated November 10, 1992.

1.13 The Board of Supervisors made no substantial modification of policy or change in the amendment proposed by the Planning Commission that was not previously considered by the Commission.

EVIDENCE: (Refer to the board Report of March 17, 1992 on this item for the Board's revisions to the Housing Element.) The Board made minor revisions to Housing Element policies and

programs approved by the Planning Commission, none of which substantially changed their intent.

2. Consistency Findings

2.1. This Monterey County Housing Element amendment leaves the Monterey County General Plan and Local Coastal Plans, a compatible integrated, and internally consistent statement of policies and land use directives in that the Housing Element updates housing policies and programs while retaining consistency with other sections of the General Plan and Local Coastal Plans.

EVIDENCE:

2.1.a Housing Element Initial Study and Negative Declaration, filed with the County Clerk on January 24, 1992.

2.2.b The policies and programs of the Housing Element do not substantially modify the residential densities reflected in the Land Use Element of the adopted General Plan, thereby retaining the Land Use Element's correlation with the Circulation Element.

3. CEQA Findings for Adoption of the Initial Study and Negative Declaration

3.1. Development of a Draft Housing Element by the Planning and Building Inspection Department prompted initial environmental review of the document. This review is contained in the Element's Initial Study and Negative Declaration.

The Initial Study and Negative Declaration was filed on January 24, 1992 and submitted to the State Office of Planning and Research for review by the State Clearinghouse. The 30-day review period began on January 27, 1992 and ended on February 26, 1992.

3.2. The Board of Supervisors find that the proposed Housing Element, as amended:

a) That said project will not have the potential to significantly degrade the quality of the environment.

b) That said project will have no significant impact on long term environment goals.

c) That said project will have no significant cumulative effect upon the environment.

d) That said project will not cause substantial adverse effects on human beings, either directly or indirectly.

EVIDENCE: Monterey County Housing Element Initial Study and Negative Declaration; State Clearinghouse File No.92013065 .

3.3. On April 28, 1992 a majority of the voting members of the Board of Supervisors adopted a Resolution of Intent to adopt the Monterey County Housing Element, Initial Study and Negative Declaration pending comments from the State Department of Housing and Community Development.

EVIDENCE: Board of Supervisors Resolution No. 92-046, dated April 28, 1992.

FINDINGS CERTIFYING THAT THE MONTEREY COUNTY HOUSING ELEMENT IS IN COMPLIANCE WITH ARTICLE 10.6 OF THE GOVERNMENT CODE

FINDING: Regional Needs Transfers Pursuant to Joint Venture Agreement Strategy of the Housing Element is in Compliance with Article 10.6 of the State Government Code.

EVIDENCE

The legislative intent of Article 10.6 was to allow cooperation between jurisdictions in meeting housing needs.

Section 65581(d) of the Government Code states that "It the intent of the Legislature in enacting this article: To ensure that each local government cooperates with other local governments in order to address regional housing needs."

Transfer of regional housing allocation to cities is supported by State law if doing so effects the preservation of prime agricultural land.

Section 65589.5 (c) states that "The Legislature also recognizes that premature and unnecessary development of agricultural lands to urban uses continues to have adverse effects on the availability of such lands for food and fiber production and on the economy of the state. Furthermore, it is the policy of the state that development should be guided away from prime agricultural lands; therefore, in implementing this section, local jurisdictions should encourage, to the maximum extent practicable in filling existing urban areas."

This method has been approved by the State

It should be noted that in 1985 the state accepted the County "Joint Venture" strategy. The 1985 HCD Housing Element review letter (Attachment A) stated that "...the county would be given credit for the development for lower income households within cities..." The County would need to document the city's acceptance of the county proposal, indicate areas potentially subject to annexation and indicate the potential zoning and capacity by zone of the property.

Each of the sites shown is secured by agreement

We have agreements (Attachment B) with each of the cities listed in Table 19. The number of units shown in Table 19 reflects the County's percentage share of the number of lower income units negotiated upon annexation during the last planning period. The number of units shown are those sites that each city has annexed and will actually build upon during the current planning period and before 1996. The number of lower income units to be built was derived from personal communication with planners in the cities listed.

It should be noted that units built during the previous planning period in areas for which we have agreements are not counted as sites for the next planning period. We count only those sites where units have not been built but will be built during the next planning period.

We have spent County Inclusionary Housing Ordinance Funds to assist affordable housing development in cities

The County has played an active part in financing affordable units to be built in recently annexed areas. For example, the County has allocated $660,000 in Inclusionary Housing Funds (Attachment C) to develop 242 units for very low and low income households in Marina, Salinas, Monterey, Gonzales, Soledad, and Greenfield. In most cases, the County was the only local funding source for these projects, yet we are not able to claim any credit because many units were built during the previous planning period.

FINDING: **Fort Ord Reuse is Feasible for Affordable Housing Sites**

The Fort Ord units will be available for civilian use by 1996

This assertion is, in part, based on the fact that on November 26, 1991 U.S. Congressman Leon Panetta introduced HR 4016. This bill will amend the Comprehensive Environmental Response Compensation and Liability Act of 1990 (CERCLA) to allow for the early sale and transfer of excess real property which has been deemed free of any toxic materials. HR 4016, enjoyed unanimous support throughout Congress and was passed by the House of Representatives and by the Senate. On October 19, 1992 President Bush signed H.R. 4016

Locally, the Army has initiated its own process of identifying parcels which are uncontaminated and which can be released early. Determination of early release properties will be made by remedial investigations, and feasibility studies to identify and certify "clean" sites which can be released for reuse at an early stage of the reuse process. A letter (Attachment E) dated February 27, 1992 from Wesley Ludwig, Fort Ord Director of Engineering and Housing states that "The Army's goal is to have the first clean parcel identified and approved by the appropriate regulators within one year."

The letter quoted above also reported that preliminary field investigation identified "41 sites of known or suspected contamination..." These sites were identified by the Environmental Clean-Up Advisory Group which made its report to the Fort Ord Task Force. The Group's findings were included in the Fort Ord Reuse Strategy Report Appendix H-1 (Attachment F). The Group identified Fredericks Park (466 units) and Schoonover Park (787 units) as having "no (contaminated) sites listed." Under provisions of HR 4016 it is therefore reasonable to assume that these 1253 units will become available during the current planning period and before 1996.

The Fort Ord units will be affordable for very low and low income households because Army's own appraisal of the Fort Ord units states they will be affordable.

On January 23, 1991 the Army performed its own appraisal of housing units at Fort Ord (Attachment G). The appraisal focused on Abrams Park, a complex of 980 units. The units in Abrams Park compare very closely to the characteristics of units in Fredrick Park and Schoonover Park. The units in Abrams Park were appraised in 1991 for $78,000. It is reasonable to assume that the units in Fredrick Park and Schoonover Park will be similarly priced.

The Fort Ord units will be affordable for very low and low income households because the units are multifamily

Of the 1253 units in Fredrick Park and Schoonover Park, 1094 units are in duplexes (2-bedrooms) and 159 are in fourplexes (3-bedrooms). If these units are sold to the private sector, then it is likely that most of the duplexes and all of the fourplexes will be rented. The fact that these units will likely be rentals, makes them, by definition, affordable to lower income levels.

The Fort Ord units will be affordable for very low and low income households because the units are economically viable to be affordable

If the units were sold as condominiums in 1992 for $78,000 they would be affordable to both lower income buyers and renters. A $78,000 home can be purchased by a household with an income of $19,192 assuming they make a downpayment of $15,600 (20%) with a loan amount of $62,400 at an interest rate of 8.5% amortized for 30 years. The monthly payment for debt service will be $480 and constitutes 30% of the above household's monthly income. The 1992 HUD lower income limits for Monterey County is $27,500 for three person households, $30,550 for four person households and $33,000 for five person households.

If the 159 units containing 3-bedrooms were rented at $480 per month, then they would be affordable to very low income households containing 4 and 5 persons which have income ceilings of $19,100 and $20,650, respectively. Given these figures it can be assumed that 1094 units of the 1253 units in Fort Ord will be affordable to lower income households and 159 will be affordable to very low income households.

The Fort Ord units will be affordable for very low and low income households because the appraised value quoted above may be even lower when units in Fort Ord are vacated.

A study commissioned by the Fort Ord Community Task Force called "Housing Impact Analysis of Fort Ord Downsizing" by Sedway and Associates (July 15, 1992) evaluated the impact of increased vacant units on the local housing market. The report stated that

"the increased vacancies will place downward pressures on prices and provide new affordable housing opportunities..." (p.34). In addition, the report stated that "The downsizing of Fort Ord will result in a rapid increase in Monterey County's rental vacancy rate. As a result, it can be expected that rents will most likely drop significantly..y..." (p. 38). Thus, given the effects quoted above, the Fort Ord downsizing will likely place even more Fort Ord units within the range of affordability of very low income households.

The Fort Ord units will be affordable for very low and low income households because the Monterey County Board of Supervisors has taken local actions to ensure that Fort Ord housing becomes affordable.

On February 25, 1992 the Monterey County Board of Supervisors unanimously passed a resolution (Attachment H) that "affordable housing be given first priority" when selling units in Fort Ord and that such units be sold at "construction cost plus a percentage based on maintenance costs." In the resolution, the Board urged Congressman Leon Panetta to introduce legislation that would allow for the units to be sold at below market value.

The Fort Ord units will be affordable for very low and low income households because the locally prepared Re-use Strategy specifies that Fort Ord units in County jurisdiction be used for low income housing.

The Fort Ord Community Task Force was organized by U.S. Congressman Leon Panetta on February 3, 1990. The Task Force produced a 760 page "Reuse Strategy" report which represented the collective work and expertise of more than 300 people. Membership in the Task Force included representatives of 100 agencies and organizations, and more than 200 companies. Recommendations from the Reuse Strategy Report include the following:

1. Housing blocks which are vacated as military units move into the enclave be made available for lease to the public for immediate use for affordable housing with the potential that the lease arrangement include a right of first refusal and/or lease purchase option opportunities.

2. All existing housing should be sold at a price that is affordable . Affordable includes very low to moderate as defined by HUD's Federal Register Notice.

3. Provide some permanently affordable housing through the use of CC&R's, deed and resale restrictions, controlling the rate of appreciation or through purchase by a community land trust, the Housing Authority of the County of Monterey, or non-profit housing development corporations.

A survey of rents in Development Incentive Zones in the unincorporated area indicates that the housing market provides rents which are affordable to low and very low income households and will affect rent levels in Fort Ord units.

A letter (Attachment K) from a landowner in Castroville listing the rents of 127 units he owns in Castroville (a Development Incentive Zone since 1980/ allowable density 10-20 units per acre) states that the rent that "we charge falls into the inclusionary housing class of low to moderate rents. This is made possible in part by allowing the higher densities which have been allowed in the past." Most of the apartment projects listed have been built within the last ten years. An attachment to the letter shows monthly rents which range from a low of $350 to a high of $615. The mean and median rent value is $460. In 1991, HUD income standards for Monterey County defined that families of four people earning less than $19,000 are in the very low income category. If we take the following affordability formula: ($19,000x.30)/12, then an affordable level of rent would be $475 per month. Therefore, based on this representative survey, more than half of the units offered in Castroville are affordable to very low income households. To determine the number of units affordable to lower income families, where the 1991 HUD median income in Monterey County for a family of four is $38,000, we offer the following formula: (($38,000x.6)x.3)/12 = $570. Thus, of the 127 rents listed, only 12 rents (5%) are not affordable to lower income households.

Rent levels in the unincorporated area are lower than levels in the County and in the state as a whole and will affect rent levels in available units in Fort Ord.

The County's Housing Element (p. 72) states that the "The unincorporated area's rent level was significantly lower than that of the State and the county as a whole." According to the 1990 U.S. Census, the unincorporated area's median rent was $522, the state's was $561 and the County's was $566.

The unincorporated area has more rental units available to very low income households than all county jurisdictions except one and the highest percentage of rental units available to very low income households of all of the county's largest jurisdictions and the County will continue to provide such units in Fort Ord.

A report called "Housing Impact Analysis of Fort Ord Downsizing" by Sedway and Associates (July 15, 1992) compared existing housing units by affordability levels for each County jurisdiction (See Table 7 Allocation of Existing Housing Units by Affordability Levels, 1990 Monterey County, Attachment L). According to the Table, the unincorporated area had 31% of its rental housing stock affordable to very low income households. This percentage was the highest of the County's large jurisdictions: larger than in Seaside, Salinas, Marina, Monterey, Carmel and Pacific Grove. The cities of Monterey, Marina, Pacific Grove taken together had about the same number of housing units (23,718 units) as the

unincorporated area had (23,378 units). Yet, in gross numbers, the unincorporated area contained more than twice as many units (2,131 units) affordable to very low income households as were found in these cities combined (976 units).

FINDING: The Element demonstrates that new development in high density zones can produce affordable housing.

EVIDENCE

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A survey of sales prices of the County's Inclusionary Housing Units, most of which are built MDR, LDR, and RDR zoning, indicates that sales prices are affordable to low and moderate income households.

To evaluate the level of affordability of inclusionary housing projects we analyzed a list (Attachment N) of the housing prices of the county's two largest inclusionary housing projects to date: Las Palmas Ranch (23 units) and Pine Canyon Estates (23 units). In Las Palmas Ranch, the median sales price for two bedroom units was $110,000 and for three bedroom units was $124,000. In Pine Canyon Estates, the median home sales price was $110,250. As stated in the draft Housing Element "Income Requirements for Home Purchase" (p. 75-76) a lower income family would be able to purchase a home priced at $112,000 and a moderate income household would be able to purchase a home priced at a maximum of $171,000. Clearly, some of the sales prices of the units provided under the Inclusionary Housing Ordinance reflected an affordability level for lower income households. However, in Table 19 we have taken a more conservative approach and show only "moderate income" sites where inclusionary units are shown as part of a project. The only exceptions are inclusionary rental projects because the Inclusionary Housing Ordinance requires that these units must be rented to "lower income" households.

FINDING: **The Element describes and evaluates the County's requirements such as: design review, park and recreational requirements, development standards, parking requirements, street widths, sidewalks, curbs and gutters, lighting and landscaping.**

EVIDENCE

We have added to the draft Housing Element a more detailed analysis of the County's land use controls and have included a program to remove constraints to affordable housing by using a "Blue Ribbon" Committee (Attachment O) consisting of developers, engineers and architects. This Committee will meet with the Zoning Administrator to study the affordable housing development process and prepare recommendations to the Board of Supervisors.

FINDING: **The Element specifically describe quantified objectives for all income groups.**

EVIDENCE

The Housing Element includes the following objectives in the matrix form below. The objectives outlined are based on the Element's new construction goals and the rehabilitation goals contained in Element Programs 4.1.1 - 4.1.4. Conservation goals are based on program 3.1.1 which is directed to the purchase of mobile home parks by residents under the State's Mobile Home Park Resident Ownership Program (MPROP) and increases in allocations of Section 8 Certificates and Vouchers.

	New Constr.	Rehabilitation	Conservation
Very Low	1587	300	39
Low	1315	300	36
Moderate	1414	100	0
Above Moderate	1376	0	0

FINDING: The Housing Element Programs are as detailed as possible.

EVIDENCE

In accord with The Department of Housing and Community Development's specific comments on Housing Element Programs the County has revised the text of the Element as outlined below:

Program 1.2.1: Changed the time frame to January 1993.

Program 1.2.3: Changed the Program to adopt it prior to December 1993 and have deleted targeting to large households.

Program 3.1.3: Changed the Program to implement immediately and direct the total allocation to low and moderate income households.

Program 4.1.2.: Changed the Element to implement this Program February 1993.

Program 4.2.1 Changed this Program to connect Employee Housing Act to Rehabilitation Funds in order to address displacement of farmworkers.

FINDING: **The Element identifies sites for Emergency Shelters/Transitional Housing within the unincorporated area.**

EVIDENCE

Revisions to the Element in the Section on Governmental Constraints have been made to show the zoning districts in which emergency shelters and transitional housing may be located. More specifically, the County is taking actions to secure sites in Fort Ord under the McKinney Act (Attachment V). The attachment shows that a site of 25 acres to build 200 units is being re-

quested in the in the East Garrison Area and a total of 55 units of transitional housing are being requested in Schoonover Park and Fredrick Park. All of these sites are in the unincorporated area. As you know, the McKinney Act gives first priority distribution of Federal surplus properties to agencies acting on behalf of the homeless. We have revised the Element to reflect the county's efforts to locate sites in Fort Ord on behalf of the homeless.

FINDING: The Element identifies actions which will permit the development of sufficient units to meet housing construction objectives.

EVIDENCE

On August 25, 1992 the Board of Supervisors approved a "Development Incentives Plan" (Attachment W) for affordable housing project. The purpose of the Development Incentives Plan is to encourage developers to build affordable housing by lowering development costs. The Plan includes all the incentives currently provided through existing law and County Ordinance. These include State law on density bonuses, the Inclusionary Housing Ordinance, and incentives provided in the Draft Housing Element. Additional incentives are provided in the form of fee reductions and waivers and other Departments and Agency actions on behalf of affordable housing projects such as "Special Handling" and acceptance of roads into the County road system. At the 25% or more affordability level, fees will be reduced by the same percentage as the percentage of affordable units. Fee waivers will apply when a project is 100% affordable.

In order to qualify for the Development Incentive Plan, a project must consist of seven or more units and the number of affordable units in a proposed project must be 25% or more of the total units in the project.

An "affordable" for-sale housing project is a project in which the required percentage of "affordable" units must be priced so that a minimum 50% are affordable to lower income households (income up to 80% of HUD median household income for Monterey County) and 50% are affordable to moderate income households (income between 80%-120% of HUD median household income for Monterey County).

An "affordable" rental housing project is a project in which the required percentage of "affordable" units must be rented so that a minimum 50% are affordable to very low income households (income up to 50% of HUD median household income for Monterey County). Rent levels must be 30% of 50% of the HUD median household income, adjusted for household size; and 50% are affordable to lower income households (income between 50%-80% of HUD median household income for Monterey County). Rent levels must be 30% of 80% of the HUD median household income, adjusted for household size.

All units defined as affordable must be rendered permanently affordable by deed restriction in the manner prescribed for Inclusionary Units by the Inclusionary Housing Ordinance.

The Plan includes fee reductions and waivers, density bonuses and specific actions such as Special Handling and acceptance of roads into the County road system, to foster affordable housing development. Density bonuses may be considered in accord with the above requirements or in accord with the requirements of existing State density bonus law. However, to qualify for the state bonus, projects must meet the State's requirement that 20% of the project units must be for lower income households or 10% for very low and must meet state affordability guidelines which are more stringent than the affordability guidelines noted above.

Also on August 25, 1992, in concert with adoption of the Development Incentive Plan, Board of Supervisors revised the "Special Handling" procedure to allow for a "process for early Board involvement in policy determinations for affordable housing projects" (see Attachment X). This action assists developers of affordable housing projects because it offers preliminary Board direction on existing county policies related to land use and environmental policies such as ridgeline development, development on 30% slopes, and development in view corridors. It also allows the developer to ascertain the possibility of resolving major policy issues before the project undergoes the discretionary permit process and reduces the chance of an affordable housing project being rejected at the end of the process because of unresolved policy issues.

FINDING: **The Element Analyzes those Federal, State or locally assisted units which have a potential for conversion into market rate units.**

EVIDENCE

We have reviewed the "Inventory of Federally Assisted Units" and found no units which were located in the unincorporated area which were in danger of conversion. In addition, we have conducted telephone interviews with the Monterey County Housing Authority, the Farmers Home Administration and CHISPA for information on units built in the unincorporated area under Section 221(d)(3) with rent supplement or Section 8 contracts, Section 236 projects and FmHA pre-1980 Section 515 projects. Upon contact with these organizations, we found that no such units were located in the unincorporated area. The County Inclusionary Housing Ordinance requires units to be affordable for a thirty year period. The Inclusionary Housing Ordinance has been in effect only since 1985.

ATTACHMENT D

CHANGES TO THE HOUSING ELEMENT

Proposed revisions to the Draft Housing Element are highlighted in **bold** (text added) and in ~~strikeout~~ (text deleted). The State Department on Housing and Community Development (HCD), in discussions with staff also requires additions listed below in order for the Draft Element to receive certification of compliance with Article 10.6 of the Government Code. Additional sites were derived from potential projects which are consistent with the General Plan and Local Coastal Program and which are in the development review process. If the additions shown below are added to the Draft Element and the transfer of allocation in accord with Chapter 1441 is approved by AMBAG, then HCD has indicated they will approve certification of the Draft Element with Article 10.6 of the Government Code.

1.2.5 Fort Ord Reuse (program to be added)

This housing development strategy anticipates the use of 1,253 housing units in the unincorporated area of Fort Ord as sites suitable for very low, lower and moderate income families. Declarations of priority for the affordability of Fort Ord units made in the Fort Ord Community Task Force "Reuse Strategy Report" and by the Monterey County Board of Supervisors and market value appraisals point to these units being affordable. However, if in the course of this strategy, a part or all of the units are rendered unavailable for County residents, then County will actively pursue other housing development strategies to accommodate a comparable number of units to meet the County's share of the regional housing need.

Responsible Agency: Planning and Building Inspection Department

Financing: General Fund (Staff Time)

Objective: Allow the development of other housing development strategies to meet the County's share of regional housing needs.

Time Frame: Ongoing

2.1.5 "Blue Ribbon Committee" for Affordable Housing (to be added at the end of the program statement)

"The Committee will consider the issue of eliminating or reducing the need for a conditional use permit in the "High Density Residential" zoning district and standardizing the requirements for developments which would not require a conditional use permit."

Table 19 Suitable Sites for Low and Moderate Income Housing Development (add the following)

Additional Sites	Moderate Inc.	Abv. Mod
Pajaro Hills	2	14
Rolling Meadows	3	21
Nacim Resort	3	16
Griffin Subdivision	2	9
Macomber Estates	4	24
Pajaro Views	4	25
Rancho Los Robles (Las Lomas)	31	92
Total:	49	201

New Unit Count based on Transfer of Allocation in accord with Chapter 1441 and additional sites:

	V. Low	Low	Mod.
Excess Units:	177	158	79
*Minus Joint Venture:	161	171	137
Total:	16	-13	-58
** Plus Chapter 1441:			
Gonzales:	16		9
Greenfield:	17	15	16
Total:	49	2	-33
Additional Sites:			49
Total Units in Excess:	49	2	16

* These housing sites are secured by signed Agreements to reallocate County housing goals to cities (between 1985 and 1990) in accord with the County's Joint Venture Housing Strategy for the planning period spanning 1990-1996. They are not counted for the purpose of certification by HCD but they will be counted in addition to those housing goals enumerated above after approval of signed Agreements by AMBAG. These Agreements will be presented to AMBAG for their approval.

** These Agreements are signed in accord with Chapter 1441 of State Law and during the planning period spanning 1990-1996 and reallocate housing goals. These Agreements are also subject to approval by Association of Monterey Bay Area Governments

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